

GOVERNORS'
CONFERENCE
PROCEEDINGS
1937

SEPTEMBER 14, 15, 16, 1937
ATLANTIC CITY
NEW JERSEY

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PROCEEDINGS
OF THE
GOVERNORS'
CONFERENCE

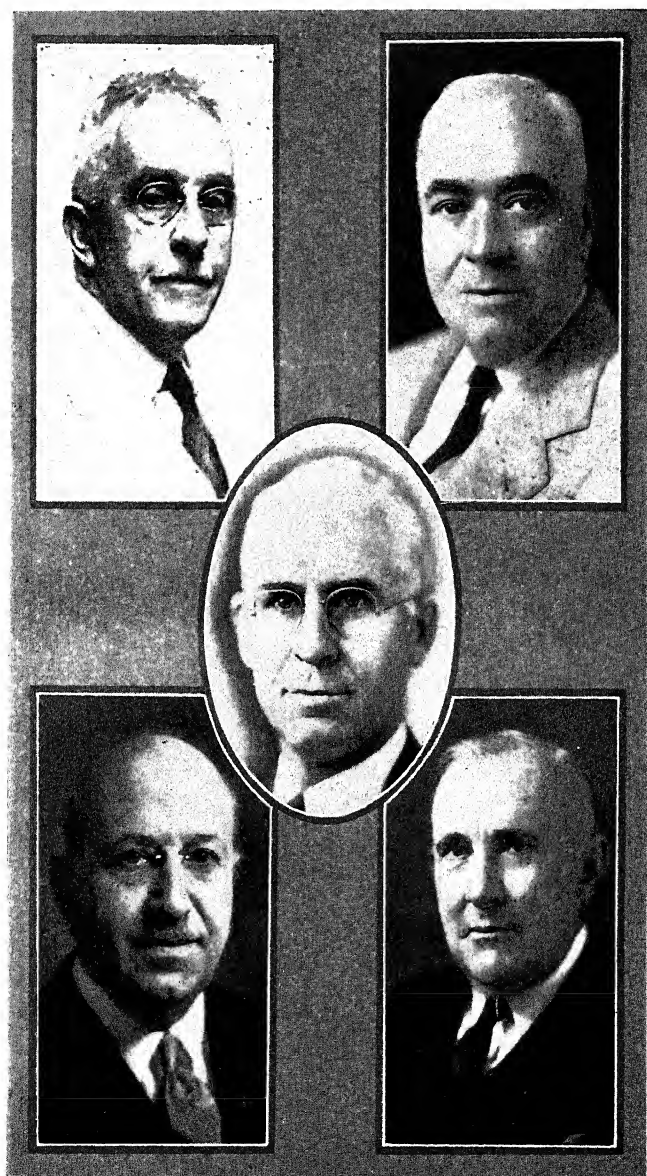
Twenty-Ninth
Annual Session



HELD AT
ATLANTIC CITY, NEW JERSEY
(Hotel Traymore, Convention Headquarters)
SEPTEMBER 14 - 16, 1937

Printed in the United States of America by
The Suwannee Democrat
Live Oak, Florida

EXECUTIVE COMMITTEE



GOVERNOR CROSS

GOVERNOR NICE

GOVERNOR COCHRAN

GOVERNOR HORNER

GOVERNOR GRAVES

ORGANIZATION

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GOVERNORS' CONFERENCE

ARTICLES OF ORGANIZATION

ARTICLE I

The style of this organization shall be the "Governors' Conference."

ARTICLE II

Active membership in the Governors' Conference shall be restricted to the Governors of the several States and Territories of the United States, the term "Governors" to include Governors-Elect. Ex-Governors shall be received as honorary members and, as such, shall be entitled to all the rights and privileges of active membership except the right of voting.

ARTICLE III

The functions of the Governors' Conference shall be to meet yearly for an exchange of views and experiences on subjects of general importance to the people of the several States, the promotion of greater uniformity in State legislation and the attainment of greater efficiency in State Administration.

ARTICLE IV

The Conference shall meet annually at a time and place selected by the members of the Executive Committee.

ARTICLE V

The Conference shall have no permanent President. A Governor shall be selected by the Executive Committee at the close of each half day's session to preside at the succeeding meeting.

ARTICLE VI

There shall be no permanent rules for the Government of the Conference in discussion or debate, but the procedure at any session shall be subject to the pleasure of the Governors present.

ARTICLE VII

The proceedings of the Conference shall be fully reported and published.

ARTICLE VIII

The affairs of the Conference shall be managed by an Executive Committee composed of five members to be chosen by the Conference at the regular annual meeting. They shall hold office until the close of the succeeding regular annual meeting and until their successors are chosen. Vacancies in the Executive Committee may be filled by the remaining members thereof.

A Secretary and a Treasurer shall be elected by the Conference at each annual meeting.

ARTICLE IX

The Secretary shall attend all meetings of the Conference, keep a correct record thereof, safely keep an account for all documents, papers and other property of the Conference which shall come into his hands, and shall perform all other duties usually appertaining to his office or which may be required by the Executive Committee. He shall be paid an annual salary of not to exceed twenty-five hundred dollars and shall be reimbursed his actual and necessary expenses incurred while traveling on the business of the Conference.

The Secretary shall annually prepare and submit to the Conference a budget of the expenses for the ensuing year. He shall make all necessary arrangements for a program for the regular annual meeting and shall edit the stenographic reports of the proceedings at all meetings. He shall, also, so far as possible, cooperate and keep in touch with organizations, societies and other agencies designed to promote uniformity of Legislation.

ARTICLE X

The Treasurer shall have the custody of the funds of the Conference, subject to the rules of the Executive Committee. He shall deposit funds of the Conference in its name, shall annually report all receipts, disbursements and balances on hand and shall furnish a bond with sufficient sureties conditioned for the faithful performance of his duties.

ARTICLE XI

Persons not members of the Conference shall not be heard until the regular order of business for the day has been concluded, and then only by unanimous consent. All programs for social entertainment must be approved in advance by the Executive Committee.

ARTICLE XII

These articles or any of them may be altered, amended, added to or repealed at any time by a majority vote of all Governors present and voting at any regular annual meeting of the Conference.

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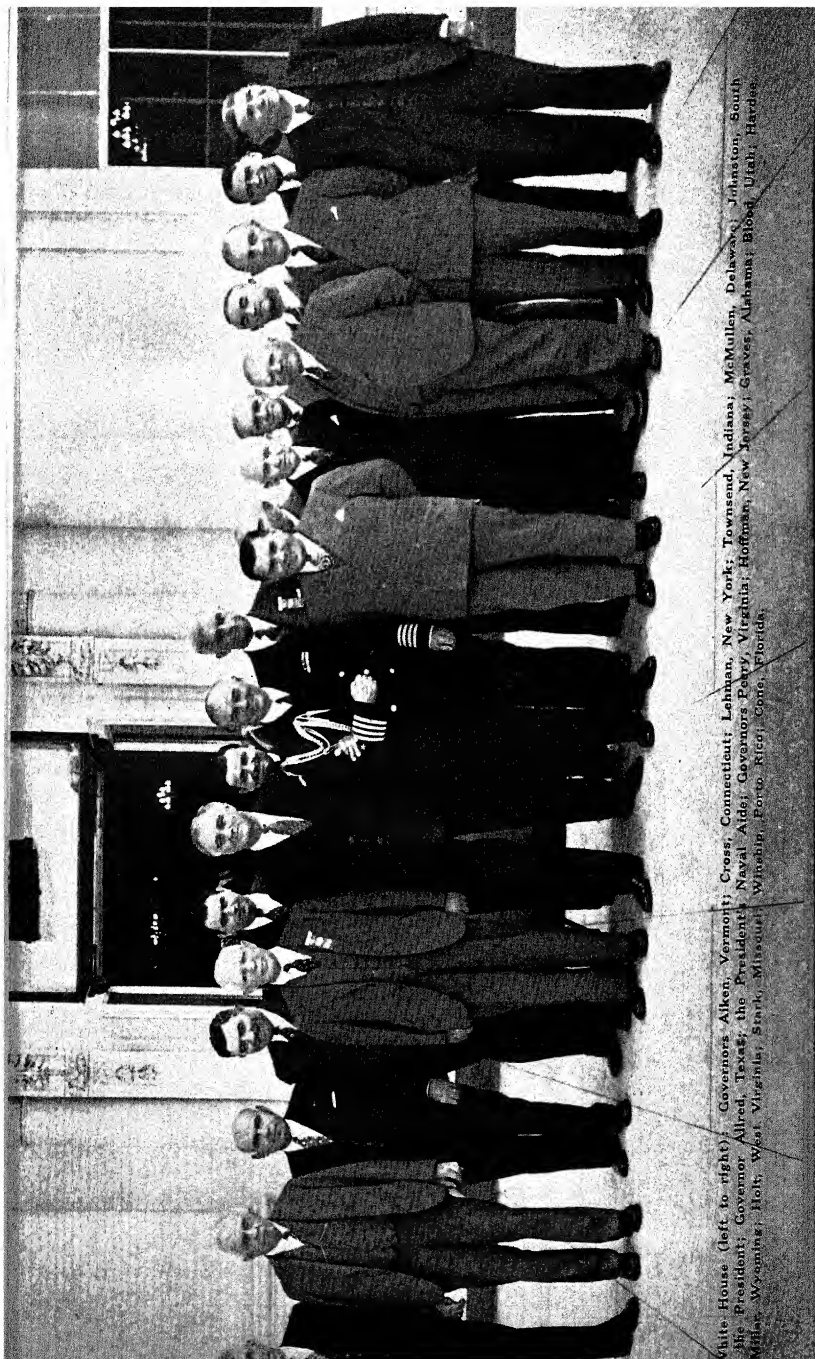
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White House (left to right): Governors Alben, Vermont; Cross, Connecticut; Lehman, New York; Townsend, Indiana; McMullen, Delaware; Johnston, South
 the President; Governor Alfred, Texas; the President; Naval Aide; Governors Perry, Virginia; Hoffman, New Jersey; Graves, Alabama; Blood, Utah; Harbo
 Miller, Wyoming; Holt, West Virginia; Stark, Missouri; Winship, Porto Rico; Cone, Florida.

Governor Peery
Presiding

**Morning Session,
September 14, 1937**

GOVERNOR GEORGE C. PEERY: The Twenty-ninth Annual Conference of Governors will please be in order.

The invocation will be given by Reverend Henry Merle Mellen, pastor of the First Presbyterian Church of Atlantic City. Dr. Mellen.

REVEREND HENRY MERLE MELLEN: Thine, O Lord, is the kingdom and the power and glory, world without end. The earth is the Lord's and the fullness thereof, the people and they that dwell therein. And to them belongeth this great land of ours, this mighty democracy, and Thine and Thine own planning in these later days.

Therefore, these Thy servants gathered in convention in this city by the sea to deliberate on the great issues, the great problems of the various states of the union, we pray for Thy choicest blessing to tarry with them as engaged in this nation-wide discussion of things paramount and things conducive to the highest moral and spiritual welfare of our country. Let it please Thee to give them a double portion of that spirit, we beseech Thee, and let the several governors and the several legislatures of the states feel the impact of this conference in the city by the sea.

We pray for Thy favor upon these executives and upon their families and upon all the peoples that they represent in the different states. Remember the city where they tarry and this state which is the host of these governors. Remember Thy servant, the President of these great United States and all who have authority with him. Remember all the nations of the earth, and in these days

of great crisis when so much is hanging in the balance, no man can tell what a day will bring forth. May these Thy servants gathered here today make a great and vast and mighty contribution to the welfare and uplift of this nation, that under God this mighty commonwealth shall have a world-wide influence even as the waters cover the sea.

The Lord bless you and keep you. The Lord cause his face to shine upon you and be gracious unto you. The Lord let the light of his countenance beam upon you and give you peace both now and in life everlasting. Amen.

GOVERNOR PEERY: Last year the conference of governors met in the mid-west. We enjoyed the splendid hospitality of that great state of Missouri. We had a wonderful time. The year before we went into the deep South and enjoyed the good things which the good people of Mississippi could give us.

The Executive Committee, in considering where to hold this year's conference, felt it appropriate to come to the Atlantic seaboard. And so we are here in response to the generous invitation of a very generous host.

We did not know when we came that we would be under the handicap of following so closely an American beauty contest.

Down in Virginia when the governor goes out they have a habit of hanging his portrait on the walls of the capitol. Perhaps the same custom prevails in many of the states. But I fear when the passing throng goes by and looks at these portraits, that there will not come to many of us a glad acclaim, a thing of beauty and a joy forever. But to lift Governor Hoffman out of the handicap, many of us have brought our wives and daughters, and we know already what a splendid time awaits us.

I have the honor to present our host, Governor Harold G. Hoffman. (Applause.)

Governor Hoffman

Address Of Welcome

GOVERNOR HAROLD G. HOFFMAN: Governor Peery, members of the Annual Governors' Conference and friends:

I am very happy this morning, as the governor of New Jersey, to greet my fellow governors of the sovereign and indestructible states in an indissoluble union, and to say we are very happy to have you in the State of New Jersey.

I want to tell Governor Peery we likewise have the custom in New Jersey of hanging portraits of departing governors in the state capitol building. I can let you in on a secret: There are many people in the State of New Jersey who would rather hang the governor than the portrait. (Laughter.)

I can appreciate, I think, the problems that confront some of the different executives of the nation in the present day.

I think possibly in these little get-to-gether meetings when we have an opportunity to find the same burdens we bear resting upon the shoulders of the other governors, it makes us feel a little bit better about it. And it seems to me much benefit may come from an interchange of our ideas, particularly in the kind of frank discussions we always have in these conferences.

Not so long ago in New Jersey we had a sales tax. At that time we had been called upon by the federal government to put up \$2,000,000 a month in order to get federal funds. It was at the time when the federal government was giving direct grants and aid for relief,

And, of course, we had the same distress that I suppose many of the governors have had in states where you have been compelled to resort to some form of new taxation in order to meet the burdens being placed upon the state government. In New Jersey we had a two per cent. retail tax, and as it was collected everyone would say, "Give me two cents for Hoffman," or "It is twenty-five cents for this article and two cents for the Hoffman tax." And I felt rather keenly about it.

Just a short time ago I went out to the great state of Utah. I was in Salt Lake City. And I tried to derive some inspiration standing in that spot that had been hallowed by Brigham Young, who had, I believe, forty wives,—trying to get the inspiration which was necessary to carry on in a gathering of this kind. I found they likewise had a sales tax in Utah. And when I told of my troubles in New Jersey with the so-called "Hoffman Tax," they said, "You are lucky; suppose you were out here; they call it 'Blood money' out here." (Laughter.)

So I can appreciate the difficulties that confront Governor Blood. Incidentally, I was rather amused. They have a fractional sales tax. They give you a handful of little clinkers or tokens with a big hole in the center, representing one mill. You get your pockets filled with these little tokens about the size of a dime and with a big hole in the center. And one of my friends told me, and this made me feel better, he said that was the only thing the Democrats had done in Utah that you could see through. (Laughter.)

But I think we recognize today,—some of us, I suppose, feel more and more we are losing identity as sovereign states, with many of the functions being taken over by the federal government. But after all, in recent years we have been doing many things for the many people of the different states with a close relationship. I know in the Port of New York area alone we have spent over \$200,000,000 building tunnels and bridges in order to promote the free flow of commerce between these states. Of course, we look upon New Jersey as being the gangplank of the Union, lying as it does between the

populous cities of Philadelphia and New York, and sometime all the people in the nation must go through New Jersey.

These are days when a great part of our country live upon wheels. Mark Hellinger not long ago cited the instance of the trailer life. He said he felt that was one of the menaces of the country, the fact so many people are living in trailers.

He said this trailer wife borrowed a cup of sugar in Maine, a cup of flour in New Hampshire, milked a cow in Vermont and baked a cake in Massachusetts. Her husband ate the cake in New York, got indigestion in Pennsylvania and took bicarbonate of soda in Delaware. (Laughter.)

So these are days when we are moving on. We hope you will like our little state. As I said last night, we had originally planned to take in some points of historic interest and to show you some of our great and unusual industries and some of the beautiful scenic spots that we have in New Jersey. But we felt with such a great amount of traveling being engaged in by the governors during the weeks past and the weeks to come, because there are so many affairs being held throughout the country to which the governors are being invited, that they might enjoy resting here in Atlantic City for two days under the one roof before making the trip on the seventeenth to Washington to have luncheon with the President at the White House.

And we do hope you will like the little program of entertainment that is planned. But, above all, we hope you will feel there is real warmth in our hospitality in New Jersey.

And we want you to know something about our state. New Jersey is one of the smallest states,—only three smaller,—Delaware, Rhode Island and Connecticut.

We feel we have been endowed by the Creator with some very wonderful things. We have in the north mountains, part of the chain of mountains running down through the south. We have beautiful lakes and we have these very beautiful Palisades on one side, New

York Bay, Hudson River, Kill van Kull, Arthur Kill, Raritan Bay; we have the Atlantic Ocean washing our shores for over a hundred miles. On the other side we have Delaware Bay and the Delaware River. And we have in New Jersey over a thousand miles of frontage upon navigable water which helps promote the industrial development of New Jersey.

In the last two years we have had two hundred and sixty-three industries, many of them of great size, come into New Jersey. I think it is very important, perhaps, in giving consideration to the establishment or location of industries, that from any part of New Jersey, over night, motor trucks can go into the greatest market in the world, a market of over 20,000,000 potential customers.

And so we have so many of these things in New Jersey that appeal to people from other parts of the nation. Talking about material things, New Jersey is great in industry, we rank first in silk and silken goods, first in the refining and smelting of ores, second in the manufacture of chemicals, pottery and paint; third in the manufacturers of soap and silver articles; fourth in the manufacture of electrical machinery.

And New Jersey, too, is known as the Garden State, and products grown upon the soil of New Jersey make mouths water in the great Metropolitan area.

New Jersey is great spiritually. It was one of the thirteen states that helped to write the Constitution and to adopt that Constitution. Over twenty battles of the Revolution were fought upon our soil. We have over a hundred spots that make them historic shrines of New Jersey.

New Jersey gave the world the first photographic film. Here Edison worked and toiled and gave to us the phonograph and the system of distribution and transmission of electricity as we know it today. The incandescent lamp was developed right at Menlo Park, not far from my home town, where the great wizard, in the words of industry, "Put sunlight on the night shift," and made so many other contributions to New Jersey.

John Stevens here perfected his locomotive which started the wheels of America's great transportation system.

We wish that you could see our state.

Here at this beautiful spot Governor Peery mentioned something about health, about the Governors' health. Last night I spoke at the American Hospital Association and I found there that these hospital people were not as much interested in the condition of the Governors' health as they are in the clinical condition of the state treasuries. (Laughter.)

At Detroit last year when I was presented by General Pickard, who was the Director of Public Safety, he made the observation that he had been looking over the young governor of the State of New Jersey; and he said, "You can tell, ladies and gentlemen, he is in good health but damned bad shape." (Laughter.)

As I said last night I feel a little better in having at least one other Republican governor here who helps to maintain the avoirdupois standard of the Republican party. (Laughter.)

I do hope you will come to know and love New Jersey as we know it and we love it.

I am deeply appreciative of the problems that confront every governor in the United States at the present moment. It seems to me there are problems we can hope to solve through joint effort and cooperation. We want to preserve our entities of sovereign states. There are many things, perhaps, we can do by close and friendly cooperation of the states. It is at such gatherings as these that we have an opportunity to discuss these problems and lay plans for the development of real cooperation. It is in that spirit that I greet you in New Jersey, and as the host governor I want to express the hope that you will find our welcome to be warm and that we will measure up to all you expect of us in the way of hospitality. Thank you very much. (Applause.)

GOVERNOR PEERY: Thank you very much, Governor Hoffman.

The response to this address of welcome was to have been delivered by the Governor of Rhode Island. He is unavoidably absent. In his absence, the governor from a neighboring state has very generously consented to pinch-hit for him. Those of us who heard his informal but delightful address last evening are very happy to have him perform this morning. So I have the pleasure of presenting to you a great and an esteemed governor of a great state, Governor Wilbur L. Cross of Connecticut. (Applause.)

Governor Cross

Response To Welcome

GOVERNOR WILBUR L. CROSS: Mr. Chairman and fellow members of the conference:

I see that I am to pinch-hit for the state of Rhode Island. You must understand, of course, that I have had no opportunity to prepare an address on the occasion.

I remember once when I was asked to pinch-hit. That was before I became governor. A man had been engaged to give an address down here in New Jersey and he could not be here, and so the chairman of the committee appeared and asked me if I would pinch-hit for him. I said, "That is impossible. Look at the engagements that I have on my book. I cannot do it under any circumstances."

"Under any circumstances?" he said.

I said, "That is it; I cannot."

"Well," he said, "you know there is \$350 in this."

I said, "I will be there."

(Laughter.)

Now, I think it is very appropriate that Connecticut should pinch-hit for Rhode Island. At one time Connecticut claimed all of Rhode Island. In our charter of 1662 our eastern boundary began at Narragansett Bay and all the islands in Narragansett Bay, and it extended westward, jumping, I think, New York, which was Dutch, to the Pacific coast. So, you see, we claimed land out in Pennsylvania; any counties in Pennsylvania were attached to one of our counties, and representatives from Pennsylvania appeared in our General Assembly. We

claimed Ohio and we claimed about everything except New York. Right across. We started out to be a great empire.

But now things are a little different between Connecticut and Rhode Island. The boundary line between Connecticut and Rhode Island was surveyed nearly a hundred years ago, and it remains there. The monuments or stones have mostly disappeared, so that a man, if he is near the line nowadays, does not know whether he is in Connecticut or in Rhode Island. Well, I am having that straightened out now. You see, a Rhode Island man might commit some crime on the border and the question would be whether he was in Rhode Island or Connecticut. Of course no Connecticut man would ever commit a crime anyway. (Laughter.)

Now, something was said about a sales tax. We, in Connecticut, put a sales tax on certain things where we know that we are going to get something out of it, but we do not have a general sales tax. We do not want to have anything in Connecticut so unpopular as the sales tax you had here in New Jersey.

We do not have any personal income tax, though we have other kinds of income tax. You see, they tell me, "Don't have a personal income tax. Let these fellows from New York move into Connecticut to escape an income tax and wait until the time when they die and get them then." (Laughter.)

They claim that there are about seventy-two wealthy people that moved into Connecticut last year from New York. I was making an address on one occasion last year and there was a man present who had formerly lived in New York, and I congratulated him on coming to Connecticut. I told him and the audience what a wonderful place Connecticut was.

He said, "I want you to understand the only reason I came into Connecticut was to escape the income tax."

Now, I have been very much interested in what the governor of New Jersey has said about his state. You see, I have attended a good many of these conferences

and the host always tells us about the state. The governors of some of the states have exaggerated rather more than Governor Hoffman has here today. (Laughter.)

This is certainly a wonderful state. He has called attention to the great work that has been done in the application of science and discoveries by Edison.

One of my secretaries—she is a woman—now is the Dean of one of your women's institutions here in the state. I am just handing this out to you to show what an attractive position that is, of secretary to the governor of the State of Connecticut.

Connecticut gave to Princeton its first president, you know. A Yale man. Jonathan Edwards. Soon after he was inducted into office, however, he got the small pox and died. He died here in New Jersey. Of course, I used to know President McCosh as a young man. A great man; the head of Princeton. And I have known all the presidents of Princeton since that time. And I was very glad to get down into this Presbyterian community, because we are more Congregationalists than Presbyterians in Connecticut. There are a lot of us there that have moved away from Congregationalism into other Protestant churches. We have a great Catholic population. We are all working together religiously. I think it would be difficult to find another state where there is greater tolerance and uniform work religiously than Connecticut. You see, you are not in Connecticut so I won't praise Connecticut.

I suppose that Jonathan Edwards would be classed as a Presbyterian. He certainly upheld Hell fire all right. There was an old story back in the time of McCosh when Princeton was very Presbyterian. The son of one of the college professors came home one Sunday for his luncheon, and he said to his father, "Was Jesus a Jew?"

The father said, "Yes."

He said, "This is the first time I knew that Jesus was a Jew, but I always knew that God was a Presbyterian." (Laughter.)

I was down here during the celebration of the 200th anniversary of the birth of Washington. I was in Morristown where I made an address before the Jersey Association, and I was at Princeton. I remember the feeling that I had when I entered Old Nassau Hall. I did not know where the address was to be. And when I entered Nassau Hall and began to think of the associations with it I threw aside my prepared speech. For it was there in Old Nassau Hall that the old government of the United States assembled when it was driven from Philadelphia. There was the portrait of Washington on my right, and I could imagine the place where Washington stood after the war of our independence was over, and he received the thanks of the Continental Congress there. Oh, the historical associations with New Jersey are very great. In the Constitutional Convention the delegates from Connecticut and New Jersey stood side by side, and though they did not agree on all things, they agreed in many. And it was largely on the basis of that agreement that the Constitutional Convention became a success.

I am not going into further praises; but we have come here today as the guests of an able and genial governor, a man whom we all like, for we know him. He has taken us here to this beautiful place by the sea where we can be quiet and at ease and can discuss some few of the great questions that are before the people of the United States today. And these questions need to be discussed with all the frankness that the questions were discussed in the early days when those men met from the different original states here to frame a constitution of the United States. I am afraid that we are a little timid, but we ought to speak out.

There is still the great question of the relation of the states to the federal government. And they need to be canvassed from all sides, not in any spirit of hostility, but to find out what we believe is the best for the United States of America. (Applause.)

GOVERNOR PEERY: That recounting of the wonderful virtues and good things of New Jersey and Connecticut is, of course, very tempting to a Virginian. But I forbear.

We have serious questions for consideration on this program. It is a day of the New Deal and new things in government. New trails are being blazed. In the Midwest a new experiment in government is being tried in one of those great states. We are anxious to know how it is succeeding. Frankly, I do not know how it would work out in the Commonwealth of Virginia. But I am anxious to find out. This plan, this new plan of having only one body to enact laws, at least has one virtue for a governor. It requires him to take only one hurdle instead of two, and the more we have to take the more difficulty we have.

It is our pleasure to have with us today the governor of the state in which the unicameral legislature has been adopted. And we have asked Governor Cochran of that state to tell us of this new experiment in government.

I have the pleasure of presenting the Honorable Robert L. Cochran, Governor of Nebraska. Governor Cochran. (Applause.)

Governor Cochran

Unicameral Legislature

GOVERNOR ROBERT L. COCHRAN: Governor Peery and members of the conference:

Governor Peery referred to the fact that under the one house system the governor only had one hurdle, which reminds me of a conversation I had in Washington last winter. Someone told me while I was there that they thought I was fortunate in having only one house to look after. I told him I did not know whether that was true entirely or not; that after all, in our previous session I found that one house sort of looked after the other.

In 1933 Nebraska completed, after twelve years of construction on a pay-as-you-go basis, a ten million dollar capitol which is not only the pride of our state, but is the pride of students of architecture throughout the nation and the whole world. In fact, it has been voted by experts as one of the ten finest architectural achievements in the world. In the planning and construction of this building great thought and attention were given to provision for the future needs of the state. Impressive and spacious are the legislative halls, one designed to accommodate one hundred members in the House of Representatives, and the other designed to accommodate thirty-three members in the Senate.

A great deal of attention was given to facilitating legislative procedure. Nebraska was one of the early states to adopt the electric voting system.

But as they planned and built, the architects and the Capitol Commission failed to reckon with the plans of Senator George W. Norris. In 1934, one year after the capitol was completed, the people of Nebraska, following

his leadership, voted a constitutional change. They gave Nebraska a one house legislature, too small for the beautiful house chamber finished the year before, too large for the magnificent Senate chamber.

In personal reference, I might say that I was guilty of that lack of foresight along with the others, because for twelve years I served as a member of the Capitol Commission which built that structure.

Nebraska's experiment attracted widespread interest and the close scrutiny of students of government. As an example of the interest in this experiment, a number of state legislatures, during the past winter, had under consideration bills for adopting in some form the one house system. None of these bills, however, was successful. The attitude of the other states probably being that of watching the experiment in Nebraska.

I might say that we are glad to be the laboratory for this experiment.

It seems proper, therefore, for an adequate discussion of the unicameral legislature and its workings that we should get a better understanding of the background, temperament and character of the people of our state.

Since our first Constitutional Convention in 1871, Nebraska has never feared to experiment, never been overawed by innovation, due, perhaps, to this character and background of our citizens. The Constitutional Conventions since that time, and the people by their vote, have approved a prohibition against state indebtedness.

Nebraska was one of the earliest states to adopt prohibition against liquor, and Nebraska was one of the early states to repeal Prohibition.

We have during recent months heard much about majority decisions by the Supreme Court. For the past seventeen years Nebraska's constitution has required a five to two vote of the Supreme Court to invalidate a law passed by the legislature. At the time of this constitutional convention in 1920 when this provision was placed in the constitution, it was termed by a large section of

our people, principally those in the legal profession, as a dangerous experiment that would result in the deprivation of justice. Today it is an accepted fact, apparently approved by all.

The basic laws of our state were changed many years ago to provide that all judges should be elected on a non-political ballot, and all school officials, from the smallest sub-division, counties and the state.

From these facts it readily can be appreciated that the people of Nebraska have not been adverse to experimentation with the judicial branch of the government, with the administrative branch or with the legislative branch.

The unicameral constitutional amendment was adopted in 1934. The amendment to the constitution provided that it should be made up of not to exceed fifty members and not less than thirty members; that they were to be elected on a non-political ballot; and in this connection it is interesting to note that students of government generally who have watched this experiment in our state, have generally failed to recognize the major change. They have thought of the mechanical change from two houses to one house, thought of the reduction in membership from 133 to 43, but they have not identified, as a rule, the real major change in legislative procedure. I refer to the non-political character of the legislature, which, it seems to me is not only a new theory so far as our state and national government is concerned, but it seems to me that it is really a world-wide experiment in legislative procedure. I will discuss this feature of our one house system a little later.

The last bicameral legislature in 1935, in accordance with the provisions of the constitutional change voted by the people, decided on a membership of forty-three, and decided on re-districting the state on a population basis. The first unicameral legislature met in the regular session of this year.

In a consideration of the rules of Nebraska's unicameral legislature, it should be said, first, that perhaps

their dominant purpose is to fix legislative responsibility. Given almost equal emphasis, however, is the theory of creating an internal machinery and procedure which facilitates accuracy, clarity and reasonable speed in enactment, but yet providing adequate safeguards against hasty and ill-considered legislation.

These procedural motifs make their original appearance in the unicameral amendment itself. The amendment to the constitution provides that the yeas and nays of the members on any question shall be entered in the journal at the request of one member. The previous constitutional provision in our state provided that two members were necessary to require a record vote.

Beyond that, however, the rules of the old bicameral senate provided that five members had to call before a committee of the whole vote could be recorded in the journal. In the old house it took ten members, under the rules. Throughout this first session of our one house legislature the committee of the whole machinery was in operation during most of the session, but was scrapped just before final adjournment. The experience of about four months was sufficient to convince the membership, or at least two-thirds, that the committee of the whole was not necessary.

The unicameral amendment, in addition, erected two safeguards not previously provided in our legislative procedure in our state. It provides that no vote upon the final passage of any bill can be taken until five legislative days after its introduction, and it cannot be passed on file for final reading until at least one additional day has elapsed. Under our old bicameral system it was possible, and it actually happened, that bills were brought forth in one day and passed on the same day. Whereas the constitution previously provided that except for general appropriation bills, none but the governor could introduce a measure after the first twenty legislative days, the amendment to the constitution providing for the one house system in our state, places no restriction whatsoever, bills may be introduced, so far as the amendment to the constitution is concerned, any time during the whole session.

The single chamber's first rules, however, set a thirty day bill limit during which bills could be introduced. During that period this year there were 572 bills filed, 211 of them on the thirtieth day. While this was approximately half the volume of the last session preceding this under the bicameral system, it was considerably larger than proponents of the one house system anticipated, and in this connection it is interesting to note the high percentage of bills passed out of those introduced. Approximately forty per cent. of the bills introduced were passed, whereas under the bicameral system in 1935, approximately nineteen per cent. of the bills introduced were passed.

In addition, a provision was inserted in the rules permitting standing committees to introduce bills after the expiration of the thirty days, provided two-thirds of the membership of the legislature as a whole gave its approval. This was not previously possible. The right of the governor to introduce bills has been retained as it existed under the bicameral system. Before adjournment *sine die*, the unicameral legislature amended its rules limiting bill introduction to twenty legislative days instead of thirty, as they decided at the beginning.

The unicameral legislature, as I said, passed 230 bills, approximately forty per cent., a little over forty per cent. of those introduced. Of these, fifteen were vetoed by the governor. And it is interesting to note that none of these vetoes were overridden, although an attempt was made in a few cases.

Before leaving this discussion as to bills, it should be pointed out that five days are set, as previously, as the theoretical minimum time possible in which a bill may be passed under suspension of the rules. Actually, however, the minimum under suspension of the rules was seven to eight days. If all the rules as they exist at the present time are complied with, and no delay is occasioned, fourteen days are actually required for the passage of a bill through the legislature.

The rules governing procedure under the unicameral plan are unique in certain respects. After a bill has

been introduced and referred to the standing committee, the rules require that at least five days notice of hearing must be given. This is an innovation in Nebraska legislative procedure, particularly from the standpoint of the public, and from that standpoint it proved to be very satisfactory. After a bill has been reported to general file by a standing committee, it is debated and referred to the committee on enrollment and review. Purely, however, for purposes of technical correctness. No bill can be considered on select file for at least three days after its reference from general file. After consideration on select file it is re-referred to this same committee for engrossment, and is then ready to be reported out for third reading and final passage. It is provided, however, that no bill shall be placed upon third reading until five days have elapsed. In addition, printed copies of the bills must be placed on each member's desk and be available for each member for at least one legislative day before final passage.

In any survey of the unicameral legislature, it should be said that there is relatively general agreement in Nebraska that committee work during our first session of this system, was particularly outstanding. Part of this improvement, I believe, was due to the provisions of the rules, part to the caliber of the men constituting the membership. To begin with, there are only sixteen standing committees as compared with twenty-eight in the old senate and thirty-two in the house. Five to eleven members are on each committee. Note the small membership on each committee. The afternoons were devoted from two o'clock on, and oftentimes continued in the evening. I will say from my personal knowledge that the members of the legislature in this first session worked very hard on their committee work. Each committee, when reporting out a bill, submitted with it a brief statement of the main purposes, giving the committee's reason for supporting or for recommending indefinite postponement. The minority could likewise express its opinion and so report to the legislature. The legislature by a majority vote could at any time call for a report on the status of any bill after it had been in committee ten days.

In this connection it is interesting to note that during this first session many bills were raised, brought out of committee by a vote of the legislature as a whole, a sixty per cent. vote. The unicameral legislature's first session saw the rise of several new adjuncts to our law-making machinery. I say new in the sense that they were new to Nebraska and, in some cases, perhaps, new to the nation.

What was termed a legal counsel was employed by the body, and this was comprised of three prominent attorneys, versed in constitutional law, whose task it was to advise committees on how to make laws stand up in court. In some respects this proved to be an efficient plan, but in the first big major test of the device, the legislature rejected the counsel's advice to limit an extension of the mortgage moratorium to one year, and, instead, passed a law extending the moratorium for two years.

During the session laws were passed providing for a permanent secretary to the legislature, for a permanent constitutional reviewer of bills to assist members in drawing up bills between sessions, providing for a legislative research department and for a legislative council made up of fifteen members, constituting a little over one-third of the total membership of the legislature. The legislative council is holding its first session this week. Whether these new departures will prove valuable time alone will tell.

The legislature passed another act which was vetoed by the governor, providing for a legislative comptroller, a comptroller picked by the legislature, paid by the legislature, working under the legislature's direction on a permanent basis. I took the position that this was very definitely an infringement of the legislative authority over what should be administrative authority, and that veto, along with the rest, stood up.

During the session laws were passed providing for these permanent positions such as I have mentioned.

There was, obviously, no conference committee, one of the greatest arguments made during the time that the

one house measure was being discussed before the voters. In the fall of 1934, one of the principal reasons given for its passage was to get rid of the conference committee.

No secret sessions of the legislature were held. None is provided for in the rules. But under the constitutional provision it is still possible to have a secret session.

The new legislature tried to avoid the use of a sifting committee, but during the later weeks of the session found it necessary to use a sifting committee made up of the chairman of each of the standing committees.

In a discussion of the unicameral legislative procedure, it should be brought out that the system got up in Nebraska is unique in that it is the first, as I understand, the first purely unicameral system. In so-called one house legislatures that were set up in the early history of our country, there was in each instance some agency with varying powers superimposed upon the legislature itself, providing in this way a certain form of check and balance.

In Nebraska's case, however, there is no such device. The governor's veto is the only check, unless we consider possible action by the courts or a referendum action by the vote of the people.

Referring to my previous remarks in regard to the non-political feature of Nebraska's one house legislature, you who are familiar with legislative procedure, and most of you are very familiar, will agree, I believe, that this is the major change that we made. I am sure that the members of the first unicameral legislature agree that this is the major change. This particular feature is that to which I referred as an experiment in legislative procedure found no where else in the entire world.

As a consequence of the non-political election of members of the legislature, there was no formal responsible leadership. Each member is potentially a leader, responsible to himself, and to his constituency alone. In the minds of students of government in Nebraska, including, I believe, a great majority of the legislature, this is referred to as a possible weakness. In other words, on

controversial bills such as revenue measures or measures with complex regulatory features, it is possible to have forty-three different ideas advocated. The chance for intelligent compromise is correspondingly decreased.

Under our constitution the governor is required to submit a budget to the legislature. He is required to recommend needed legislation for the proper functioning of the state government. Under the old system of party responsibility, this responsibility provided lines of communication between the executive and the legislative branches by means of which these separate branches of government functioned to achieve an intelligent compromise upon highly controversial questions and measures. Under the new system with party responsibility lacking, with forty-three members each elected independently, each with no responsibility except to his separate constituency, all formal lines of communication between the legislative and executive branches have been removed.

It is true, however, that as the session progressed, there was contact between the governor and the legislature through a comparatively few members, who served to convey the views of the legislature to the governor and the views of the governor to the legislature. But there existed no machinery to translate those views into legislation. In actual practice, we had, generally speaking, a high type of membership in the legislature, but as a rule, with a devotion to duty, so that I would say that the results of this first legislative session were generally satisfactory.

Reference has been made here today to a general sales tax and state income tax. We have neither in Nebraska, and we have no bonded indebtedness. For a number of years I have taken a strong position against either one of these methods of taxation, and it is interesting to note that out of almost 600 bills, 570 bills introduced in the legislature, there was not a single bill introduced providing either for a general sales tax or for a state income tax. It can be seen, however, that with a less able membership, with less of a cooperative spirit than we have had during this first session between the executive

and legislative branches, the results of a future session may not be so satisfactory.

Our constitution provides that the governor shall submit to the legislature a budget carrying amounts he considers necessary for maintaining all of the agencies of state government during the next two years. The constitution provides that a sixty per cent. vote of the legislature is necessary to increase any item in that budget. And it takes a majority vote to decrease any item. The courts during the past, and during the time when we had the two house system, interpreted this provision to mean that no item in the appropriation bill based on the governor's budget is subject to veto by the government, provided that that item received a sixty per cent. vote of the legislature. Under our new system this means that twenty-six members of our one house legislature may do virtually anything it wants to with the governor's budget. They may double it, they may triple it, they may cut it in half. The governor is rendered powerless to do anything. It is true that we had this provision under the two house system, but you can readily see that in a two house system the probability of a sixty per cent. vote on each item in the governor's budget would be very much less than in a one house legislature, and particularly so with a small membership. It seems to me that there may be a necessity in the future for correction of this provision.

So-called legislative representatives, in other words lobbyists, were as great or greater in number under the one house system as under the two house system. With the reduced number of members in the legislature, this subjected the individual member to greater pressure and annoyance, a condition which invoked from some members strong complaints against the easy accessibility of lobbyists to the members. The actual operation of lobbying was brought out in the open more and subjected to public scrutiny to a greater extent than under the two house system.

I am frequently asked my opinion as to the merits of the one house legislative system, to which I usually make

the same reply I made to a Washington correspondent last January during the inauguration ceremonies. I asked him if he wanted an intelligent answer. He replied he most certainly did. In that case, I told him, that he should ask me this question eight or ten years from now, by which time I should be able to give him an intelligent answer.

The point I am making is that such fundamental changes as are involved under our unicameral legislature, it must of necessity be considered an experiment which cannot be judged by one session. It is possible that the legislative counsel, which is starting its functioning this week between now and the next legislative session, may be of considerable importance, considerable value to the next regular session.

I would say, in summation, that the advantages of the one house system, as shown by this first session, appear to be principally these: It comes more nearly to fixing legislative responsibility on each legislative member; it eliminates the conference committee, and with it, those evils which subjected the two house system to condemnation. It makes possible public hearings on each bill before committee, resulting in wide publicity and consequent advantages; emergency or comparatively non-controversial measures, yet affecting the public interest, can be passed more expeditiously and with less destructive amendments.

I would say that the dangerous points in our one house system appear to be the non-political feature, and coupled with this the absence of veto power or other check on appropriations, and the possibility of cliques, or blocs developing by those only interested in a special field of legislation by reason of the limited number of members under the present law.

Thank you. (Applause.)

GOVERNOR PEERY: I am sure I voice the sentiments of all the governors present when I say to Governor Cochran that we deeply appreciate this very thoughtful, informative and interesting address.

Governor Hardee has an announcement to make at this time.

GOVERNOR HARDEE: Governor Hoffman, our host, asked me to announce to the ladies here, the governors' wives and members of the governors' parties, that they are to meet in the lobby at twelve-thirty. And it is now twelve-ten. You are to meet Mrs. Hoffman and go with her to the country club for lunch. The meeting is at twelve-thirty.

GOVERNOR PEERY: Is there any discussion on the address?

GOVERNOR CROSS: Mr. Chairman, I would like to ask two or three questions which can be answered very simply.

GOVERNOR PEERY: Governor Cross.

GOVERNOR CROSS: Now, you have a state divided into districts. Now, there are candidates, are there not, for representatives in these districts? How would you say the two parties come in there?

GOVERNOR COCHRAN: As parties, Governor Cross, they do not come in at all. Any number can file, just as any number can file on a non-political ballot for the judiciary, we will say. The two high members in the primaries are declared to be the candidates and go before the people in the general election, but on a non-political ballot.

GOVERNOR CROSS: But on a non-political ballot. Do you usually have one Democrat and one Republican?

GOVERNOR COCHRAN: Well, yes, it is very often that way. The forty-three members in this first session was made up of twenty-two of what would be called ex-Democrats and twenty-one ex-Republicans.

GOVERNOR CROSS: So you do get a party division there?

GOVERNOR COCHRAN: Well, the state went Democratic. I think if it had been on a political basis it would

have been probably seventy-five per cent. Democratic because of our results of our general election.

GOVERNOR CROSS: Now I will ask another question: Do you think you get better men in this way?

GOVERNOR COCHRAN: It is pretty hard to say. This is what actually happened: Thirty-three out of the forty-three members had served in the legislature before. For the most part in the immediately preceding session. But what actually happened in this case, I think we got, generally speaking, the best out of the previous 133, with possibly a few exceptions. I think we got a higher percentage of good men, high type men, than we did under the old system.

GOVERNOR CROSS: One more question here. Now, in the organization of the house you have a speaker.

GOVERNOR COCHRAN: Yes, sir.

GOVERNOR CROSS: You say that you have a majority of Democrats there now?

GOVERNOR COCHRAN: Yes, sir, a majority of one.

GOVERNOR CROSS: Is the speaker a Democrat?

GOVERNOR COCHRAN: The speaker is a Republican, in the present case.

GOVERNOR CROSS: So then that was a break in the party lines?

GOVERNOR COCHRAN: This is what actually happened, Governor Cross: The members took this non-political feature very seriously; in fact, I thought at times too seriously. For example, they wanted a Democratic clerk and a Republican speaker or vice versa, don't you see, and in the selection of the speaker I think the prominence of the Democratic clerk, who had served as such in the senate two years previous, perhaps, and all the way down the line they alternated.

It was claimed by some of our Democrats during the session that we had twenty-two non-partisans and twenty-one Republicans.

GOVERNOR CROSS: But you do get a party split there?

GOVERNOR COCHRAN: They showed up a little bit in our men.

GOVERNOR CROSS: I think it is all very interesting. I find personally it would look as if it was a New Deal away from democracy to an oligarchy. Not that I object to that, but that it might look that way.

GOVERNOR COCHRAN: I look upon this non-political feature as being the real danger to watch for in the future.

GOVERNOR CROSS: Of course, if you can get an oligarchy of non-partisan men you can do business with very great dispatch, a result for the better. Yours is the first of its kind. Of course, the idea is 2,000 years old. That is what Plato said, we must get the best men. And I think in the organization of the government that was Washington's idea. He followed it himself and he had difficulty.

GOVERNOR COCHRAN: Personally, I am strong for party responsibility, local, state and national.

GOVERNOR PEERY: May we hear from someone else?

MR. AL NICHOLS, President pro tem, Oklahoma State Senate, representing Governor Ernest W. Marland: May I ask the governor a question?

Governor, I would like to know how the expenses of this session compared with the expenses of the previous sessions and how this appropriation compared with previous appropriations?

GOVERNOR COCHRAN: That is a very interesting question. The cost of the legislative session as measured by the expenses of the actual mechanics of legislation, were very considerably less than the usual expenses. For example, in 1935, our previous regular session, I think something like sixty per cent. It ran about sixty per cent. or around that, to two-thirds. But the actual

expense to the taxpayers was more. The appropriations exceeded that of two years previous and exceeded my budget by approximately three-quarters of a million. So that the saving in cost of the legislature itself was very small as compared with the increased appropriation. Does that answer your question?

GOVERNOR ALLRED: They did not give you an increase?

GOVERNOR COCHRAN: No, sir. And it might have happened under the old system. But as I pointed out, the probability of the sixty per cent. vote in the two houses is very much less than it is in one house.

GOVERNOR PEERY: In your state, Governor Cochran, can the governor veto one item of the appropriation bill without disturbing the main bill?

GOVERNOR COCHRAN: He can, providing that item has not received over a sixty per cent. vote. If it has, our Supreme Court has interpreted our constitution to mean that if any item gets sixty per cent. or more vote, the governor has no veto power. That is where one of the dangers lies now, because twenty-six members constitutes sixty per cent., and they can do anything with the appropriation bill.

GOVERNOR PEERY: May we hear from any of the other governors on this very interesting question?

GOVERNOR McMULLEN: How is it possible for a state to appropriate three-quarters of a million dollars more without increasing their taxes sufficiently to raise that amount?

GOVERNOR COCHRAN: It is entirely from a property tax, or practically entirely from a property tax. It really was all from property tax. Our levy is higher as a result.

GOVERNOR McMULLEN: You have a state property tax?

GOVERNOR COCHRAN: Yes, two and sixty-four one-hundredths mills this year.

GOVERNOR McMULLEN: That is as high as it goes?

GOVERNOR COCHRAN: Yes. We went down to one and seventy-six hundredths mills last year, but we are using more of our beer and liquor taxes for Social Security than we did before. That accounts for part of it and part of it is accounted for by this increased appropriation.

GOVERNOR McMULLEN: Then a state that has an income tax or other taxes which does not equal any more than two and sixty-four one-hundredths mills, it is just about on a par with your state?

GOVERNOR COCHRAN: As total tax paying, yes.

GOVERNOR PEERY: Are there any other questions or any other discussion?

The problem of taxation is a continuing one. It is one that brings to the governors many restless nights. They have a habit of rarely ever going down, but usually going up. And recent developments have made them go up in a startling rise.

And so today we felt that the subject of taxation would be an interesting one, and in selecting a speaker to discuss this question we felt that we could not find one who could speak with greater authority than the governor of the Great Empire State of New York, one who of a long and ripe experience as a great banker and statesman can give us the benefit of his judgment and his years of experience on this question.

When the legislature provides for new appropriations we look to other fields of taxation, and find in some instances that they have already been preempted or trespassed upon by the federal government. We find conflicts in taxing systems of the states and in taxation imposed by the federal government. So I am sure that you will listen with great interest to the next speaker who will talk upon this very interesting and important subject.

So I have the honor at this time to present to you Governor Herbert H. Lehman of the State of New York. Governor Lehman. (Applause.)

Governor Lehman

Conflicting Tax Sources

GOVERNOR LEHMAN: Governor Peery, Governor Hoffman and fellow members of the Governors' Conference:

The subject of this round-table conference, it seems to me, is very important and its solution vital to the material interests of the nation and of the states.

If in the course of my remarks I refer frequently to New York State, it is only because for obvious reasons I am acquainted only with the affairs and finances of that state.

All citizens and taxpayers of the nation are at one and the same time citizens and taxpayers of some one of our forty-eight states and of our one or more layers of local government. There is no conflict in their interests. While they expect to pay the necessary expenses of the governments under which they live, they are vitally interested in having their governments economically operated and in having taxes laid fairly, and, as nearly as may be equally. They do not think with fine discrimination of the taxes levied by the different layers of government but rather of their aggregate tax loads.

Viewed from the other angle, namely, that of the federal government on the one hand and the states and their localities on the other there exists in a country like ours, potential possibilities for serious conflicts in the tax field. These clashes may arise as between states if they undertake to impose extra territorial taxes, or perchance, employ unfair formulas in allocating the assets or the income of taxpayers doing business both within and without the state. Or, the discord may arise, and under ex-

isting conditions is more likely to arise, between the states, and the federal government. It is to that phase of the subject which I shall direct the most of my remarks.

When the country was young—say, from Colonial times down to fifty years ago—the national government except in times of war was easily financed by custom duties and a variety of excise taxes, the principal ones being on alcoholic beverages and tobacco and tobacco products. The needs of the states and their municipalities were not great, and for the most part, were met by property taxes. However, as our population grew and the country emerged rapidly from primitive conditions to a state of highly organized social, economic and industrial development, the requirements of the different layers of government rose sharply. That is not surprising. Accompanying such a development, the people always demand new, expanding and better governmental services. Moreover, as the standard of living of a people rises, they demand of their government higher standards of governmental service.

Improved methods of communication and transportation, new inventions, as for example, the automobile, have contributed greatly to the increased cost of government as has an awakened consciousness of the interdependence of social groups and the recognition of society's responsibilities to its less fortunate members. I mention these things because they are considerations which must constantly be kept in mind.

Accompanying these natural and inevitable changes, the different layers of government commenced to seek additional revenue—to tap new sources. Until then, there had been almost, if not complete, segregation of sources as between the federal government and the states. It was at that time that duplicate taxation commenced to appear.

Duplicate taxation is one thing, but conflicting taxation is quite another. It would be splendid if duplicate taxation could be entirely avoided. In other words, the ideal condition would be to parcel out the various sources

of revenue, assigning some to the federal government, others to the states and still others to the localities. To some extent, perhaps to an extent not practiced, this can be done, but the plan has its limitations. The property tax may be reserved for the exclusive use of the municipalities; custom duties and important excises may remain the exclusive property, so to speak, of the federal government, but it is extremely doubtful if the "segregation-of-sources" plan can be employed to avoid duplicate taxation completely.

I think of conflicting taxation in the sense that the interests of two or more layers of governments clash, where there is failure on the part of one government to recognize the rights and interests of another, or the predicament of the taxpayers, the victims of their uncoordinated actions. To be more precise, when one of two governments having concurrent jurisdiction to lay a tax does so at rates so high as to monopolize the field, or to invoke the law of diminishing returns of the others, conflicting taxation becomes a fact.

During the past twenty years, duplicate taxation has mounted at an alarming rate, and because of high tax rates, amounts in some cases to conflicting taxation. The situation is so serious that it presents a challenge to the ability of the states and the federal government to find a solution, not only in their own interests, but in the interest of every citizen and taxpayer of the country. National economy itself is involved.

Let me be a bit more specific. In New York State, we have released the general property tax for the exclusive use of the municipalities. The state undertakes to finance its activities by obtaining revenue from other sources. Of the ten important taxes upon which my state depended last year for 84% of its revenue, with but two exceptions, the federal government lays heavy taxes on the same sources. The first in importance is the personal income tax. Our state rates are not high, but federal rates are graduated to as high as 79%. Our maximum corporation tax rate in New York State is 6%. The federal government's top rate is 15%, with an addi-

tional tax on undistributed net income, running as high as 27%. Our estate tax is graduated up to 20%, on the largest estates, while the federal rates run to 70%, with a credit against the federal tax of 16%, if paid to a state.

The right of the states to tax their residents on personal incomes, their authority to tax corporations, their power to lay taxes on the estates of decedents, rests upon as solid a foundation, and in some instances, a more solid one, in logic, morals and law, than does the right, the authority, or the power of the federal government.

Assuming, for instance, that any American state should decide to tax personal incomes as high as the federal government taxes them, what would be the result? The answer is simple. The combined taxes would be unbearably high. They would discourage individual initiative and adversely affect the economy of the nation. Moreover, a taxpayer having an income of \$250,000, would find his tax bill \$256,500—\$6500 more than his income. A similar situation would occur if the states taxed the estates of decedents as high as the federal government. You will say such a situation is extremely unlikely. To that I of course agree. But when I tell you that in two states, the combined federal and the state rate is 94% of all income above a certain amount and in another, 90% above \$12,000—you will see the situation is serious. And similar conditions prevail in the taxation of estates.

In recent years the situation has been further complicated by the revenue needs of municipalities. State and local taxes are tied up to a certain extent in one package. The states have to provide for their own financing and the methods of financing local government. Securing revenues to finance local governments is a problem indeed. Very few taxes lend themselves to local administration. In my state—and I presume it is so in yours—the municipalities are ever clamoring for additional revenue. How it can best be provided presents a host of problems difficult of solution. In New York State we have released to the municipalities for their exclusive use the entire general property tax. In addition, through our system of sharing state collected

taxes with municipalities and our policy of granting state aid for a variety of purposes, principally for public schools and relief, the state actually contributes towards the support of local government over two hundred and fifty million dollars or more than sixty cents out of each tax dollar which it collects, which places an unusually heavy burden on the state. But even so, local taxes are high.

In the past few years some localities have sought to secure funds for relief purposes through the imposition of new taxes which in some cases duplicate or come into conflict with federal and state taxes.

Thus, it is manifest, that we have reached a point where conflicting taxation in this country is a fact.

Before it is too late, we should consider the effects and consequences of conflicting taxation. Of primary importance is the effect on our national economy. The money needed to pay the aggregate cost of federal and state government, should be raised in such fashion as to secure a reasonable distribution of the load and to avoid discouraging the development or enlargement of business enterprises. Unless this is done, the economic interests of the nation suffer as well as the interests of the groups directly affected. The assets of a nation consist of its material wealth, its natural resources and, as well, the creative, constructive, inventive genius of its people. If two governments with concurrent jurisdiction, lay taxes so high in the aggregate as to discourage the individual, his ability is withdrawn from the business field and the country loses a valuable asset.

Again, it is unfair to the taxpayers to expose them to the uncoordinated action and the varying political philosophies of a national government and forty-eight separate state governments. Such a condition will inevitably produce discontent among the people who are subject to the rival exactions of two or more sets of tax officials.

Other possible consequences may attack the very integrity of the nation. Think, if you will, what would result if the states asserted their rights to tax—say, personal income and estates as high as does the federal

government. As we have seen, in incomes and estates of certain size, more than 100% would be consumed in paying the two taxes. Obviously, one or the other would have to give way. Assuming, as probably would be the case, that the supreme government—the national government—prevailed, the laws enacted by the states would be suspended. Concededly, the states might be deprived of the means of financing themselves and their localities. They would then become vassal states and their importance as units of government would disappear. I make these statements to bring out sharply possibilities not too difficult to conceive.

Nevertheless, as things now stand, every American state, I suspect, is finding it difficult to finance its operations and the expenses of its localities without resorting to the enactment of tax laws inimical to the economic interests of the state. And that is probably due to the fact that the national government is almost monopolizing so many of the important tax fields.

If I see the situation clearly, we should without further delay—and when I say “we” I mean the states and the national government—inaugurate plans for coordinating federal, state and local revenue systems. We owe that duty to the taxpayers. We can improve the present situation only through effective and close cooperation between the federal and state governments and between the several states themselves. Without such cooperation each political unit will continue to go its own way and we will have accomplished nothing.

I can think of no agency better equipped to assume leadership than this Conference of Governors of American states.

Before I conclude my remarks I want to make an explanation and an apology. I was very happy indeed to come down here to meet with my fellow governors today and I wish I could remain throughout the course of the conference. Unfortunately, however, I have to return to New York this afternoon. At sundown this evening there commences the observation of the main holy day of my faith, and I, of course, have to be at home in order

to fulfill my religious duties. It is on that account I will not be here with you this afternoon or tomorrow. I make that explanation simply so you may not think my absence is due to lack of courtesy or lack of interest. (Applause.)

GOVERNOR PEERY: Governor Lehman, we appreciate very deeply this very able and interesting address.

Is there any discussion?

GOVERNOR CROSS: Mr. President, I would like to make one suggestion. There can be no more important question that will come before this conference. I think that probably most of the states have come to some sort of an arrangement with the municipalities, leaving to them a general property tax. But here is the conflicting tax system of the federal government and the states. It seems to me that this is so important a subject that at our next conference it ought to be made the major subject of discussion and that we ought to bring in with us representatives of the federal government, and, if possible, the President of the United States.

GOVERNOR PEERY: Do you not think it would be proper, Governor Cross, to cover that thought by resolution to go before the Resolutions Committee hereafter to be appointed?

GOVERNOR CROSS: I put it this way, that the President be asked to consider the question of calling a conference of the governors to discuss this question. It might be that he would like to. But I have a request that the President of the United States consider the question of calling a conference of the governors of all the states for a discussion of this subject, so as to see if some system mitigating the existing conflict can be worked out.

GOVERNOR PEERY: Don't you think it would be well to cover that by a resolution and let that be considered by the Resolutions Committee and report to the conference?

GOVERNOR CROSS: I move that it be referred to the Resolutions Committee.

GOVERNOR JOHNSTON: I second the motion.

GOVERNOR PEERY: Gentlemen, you have heard the motion. Those favoring the motion of Governor Cross will signify by saying aye.

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed, "no."

(No answer.)

GOVERNOR PEERY: No answer. The motion is carried and it is so ordered.

Is there any further discussion on this very interesting subject under consideration?

At this point I will read an invitation from the President:

"THE WHITE HOUSE
WASHINGTON

"Hyde Park, New York
September 9, 1937

"My dear Governor:

"Several weeks ago, Governor Hardee spoke to me about the Governors' Conference meeting this month.

"I expect to return to Washington early next week and I hope very much that you and your fellow conferees will be able to join me at the White House for lunch at one o'clock on the sixteenth.

"As you know, I am attending the ceremonies at Antietam on the seventeenth, as well as those at Washington later in the day, commemorating Constitution Day. I think it would be just fine if the Governors could stay over and participate in both events.

"With kind personal regards,

"Very sincerely yours,

"(s) FRANKLIN D. ROOSEVELT

"His Excellency,
George C. Peery,
Governor of Virginia,
Richmond, Virginia."

I suggest that those of the governors who find it possible to unite in accepting this invitation, notify the secretary, Governor Hardee, so that the White House may be advised as to the number of governors that will be in attendance at this luncheon.

GOVERNOR HARDEE: Mr. Chairman, may I state that I am to send a wire to the White House during the afternoon giving the names of all of the governors that will attend the luncheon on Thursday. We will leave here by special train in the morning and we will arrive in Washington about twelve o'clock. The luncheon will be held at one. I think that Mr. Mills, who is assisting me here, is canvassing each of the governors so I will be able to give definite information.

And furthermore, the letter of the President refers to the celebration at Antietam. I think maybe Governor Nice can say more about that than anyone else. It is in his state and he is quite familiar with it.

On the evening of the seventeenth, this Friday, there is to be a rousing meeting at Washington at what we know as the Sylvan Theatre, which is grouped around Washington Monument, at which time the President will speak; and I would like to have information, too, of how many governors will remain over and be in Washington on Friday so that I can notify the committee in charge of that.

GOVERNOR NICE: Mr. President.

GOVERNOR PEERY: Governor Nice.

GOVERNOR NICE: I should like the privilege of the floor extended to some members of Maryland who will be here tomorrow to explain in detail the plan they have perfected for the entertainment of the governors in Maryland on Thursday evening and Friday.

As I understand the plan now, our purpose is to arrange with the Baltimore & Ohio Railroad to take the governors to Hagerstown, Maryland, about three o'clock on Thursday afternoon, after the luncheon. They will be entertained in Hagerstown Thursday night, and on Friday morning we will go to Antietam where there is going to be a very creditable reproduction of the Battle

of Antietam, participated in by those states which participated in that battle. That will be Friday afternoon.

This committee will also extend an invitation to the governors to be their guests at the Woodmont Rod and Gun Club,—which, by the way, is probably one of the finest game preserves in the United States. There are ample accommodations, and they want to give you a real game dinner there Saturday night.

Hoping all the governors can attend this affair in Maryland, which is a tri-celebration commemorating the 75th Anniversary of the Battle of Antietam, the 175th Anniversary of the founding of the City of Hagerstown and the 200th Anniversary of the creation of the County of Washington of Maryland, we have a pageant which will be shown you in the evening, which is one of the most creditable affairs, I think, that has been attempted in the eastern section of the country. So that when these gentlemen do come tomorrow, if you will give them the courtesy of explaining their plans, I am sincerely hopeful that all the governors here will find it convenient to be the guests of the State of Maryland. I can assure you our arms will be open in wide welcome and your reception will be sincere, and I am sure you will enjoy being with us.

GOVERNOR PEERY: At former conferences it has been the custom to appoint two committees: One on auditing and one on resolutions. At this point I will hear a motion that those committees be appointed.

GOVERNOR COCHRAN: May I make such a motion, Mr. Chairman?

GOVERNOR PEERY: Is there a second to the motion?

GOVERNOR NICE: I second the motion.

GOVERNOR PEERY: You have heard the motion. All those in favor will say aye, opposed no.

(Roll call; carried.)

GOVERNOR PEERY: On the Auditing Committee I will appoint Honorable Harry W. Nice, of Maryland;

Honorable Fred P. Cone, of Florida, and Honorable Homer A. Holt, of West Virginia.

On the Resolutions Committee I will appoint Honorable James V. Allred, of Texas; Honorable Blanton Winship, of Porto Rico; and Honorable Lewis O. Barrows, of Maine; Honorable Lloyd C. Stark, of Missouri; and Honorable Wilbur L. Cross, of Connecticut.

Do you have any announcements?

GOVERNOR HARDEE: None. Except to say, Mr. President, that all the Auditing Committee will have to do is to audit the report which the treasurer will present. The treasurer is not here, but he is to be here during the afternoon. And when he comes we will get his report and turn it over to the chairman of that committee, and then the committee can audit it.

GOVERNOR PEERY: Are there any further announcements?

GOVERNOR ALLRED: Mr. President, it seems to me in view of the very gracious invitation of the President this conference should take some official action accepting his invitation as a conference individual of the plans of those governors able to attend. I therefore move that the rules be suspended and we accept the invitation of the President with an expression of our appreciation, and the secretary be instructed to convey that expression to the President with the names of those who have expressed the intention to attend the conference.

GOVERNOR COCHRAN: I second the motion.

GOVERNOR PEERY: You have heard the motion. Those in favor of the motion will signify by saying aye.

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed no.

The motion is carried.

The secretary is instructed accordingly.

If there is no further business to come before the conference I will announce that the afternoon session will be held at two-thirty p. m. This closes the morning session.

GOVERNOR HARDEE: Before adjournment, Governor Hoffman advises me that we will all lunch together, the governors and their parties, up on the eleventh floor.

(Governor Hoffman moved that the following telegram be sent to Governor Hurley:

"His Excellency Charles F. Hurley
State House, Boston, Massachusetts

"It is with deep regret that the Governors in Annual Conference assembled learned of the illness of your daughter 'Sally' and it is with deep sympathy that we hasten to extend to you our wishes for her complete and expeditious recovery.")

(Governor Hoffman read the following invitation from the American Hospital Association, and moved its acceptance.

"September 14, 1937.

"His Excellency Harold G. Hoffman
Governor of New Jersey
Trenton, New Jersey

"Sir:

"We note with pleasure that the Governors' Conference is meeting in Atlantic City concurrently with the Thirty-ninth Annual Convention of the American Hospital Association. There will be in attendance at our Convention upwards of four thousand hospital administrators and personnel. As a leading feature of the Convention, we conduct a very extensive exhibit of hospital equipment and supplies, as well as exhibits for educational purposes.

"A visit to our exhibit would undoubtedly be of interest to your group and would give you a comprehensive view of the variety of scientific equipment that is required in the operation of the modern hospital. The honor of such a visit would be heartily appreciated by us, and we sincerely trust that you will be able to accept this invitation some time on Wednesday afternoon, at your convenience.

"If this is possible, will you kindly notify us so that proper provisions may be made for your escort through the exhibits?

"Very respectfully yours,

(s) C. W. MUNGER M. D.

"Claude W. Munger, M. D.

"President.")

(At this time the conference recessed to two-thirty p. m.)

Governor Stark
Presiding

**Afternoon Session,
September 14, 1937**

GOVERNOR PEERY: The conference will be in order.

Virginia yields to Missouri, and I now gladly yield the gavel to Governor Lloyd C. Stark, of Missouri.

GOVERNOR STARK: The afternoon session of the Conference of Governors now be in order.

I appreciate this honor and appreciate the privilege of being with you and being one of you. Of course, I am just a newcomer.

I am very happy to tell you how much we appreciated your coming to Missouri last year. And after hearing Governor Hoffman's statements about New Jersey and hearing about Connecticut, I feel a little bit like Governor Peery of Virginia: I do not think it the proper time to tell you about Missouri because it would take the whole afternoon session. I think probably Governor Park did a pretty good job of that last year both by voice and, as we say out in Missouri "show me." I hope he did, at any rate. And I was very sorry indeed that I could not be with you. At that time my father-in-law was at death's door and passed away soon after that time. Otherwise I would have had the privilege of being with you in Missouri.

Of course, you know Missouri is the only state in the Union around which a Chinese wall could be built and which would still be self-sustaining. She is the mother of the West: first in shoes, horticulture and a lot of other things. We have two towns in Missouri older than the nation. And we almost won the war: Pershing and

Crowder, at the head of the draft; Admiral Koontz, head of the navy. When they thought they were going to have a war in Europe they had a war in Missouri. Webb Craig, head of the army.

I think you know about the Ozark Mountains. We have more miles of fishing streams, the largest fresh water springs, with possibly one exception; the largest artificial lake in the world, with fifteen hundred new miles of shore line.

You have heard about our big red apples. I expect you have heard about our hound dogs.

But we were very happy indeed to have you with us. Now, I am happy to be here. I haven't found anything to criticize except one thing, and that is that the conference officials did not have the governors here at the same time as the beauty contest and have all the state beauties to sit beside the governors in the banquet. Outside of that, I think we have had a wonderful meeting.

At last year's conference in Missouri, where you met with my predecessor, Governor Park, as host, the beneficial effects were lasting, I am sure, for Missouri and Missourians, and I hope for the governors of all the states.

For one thing, it made our Missouri and Mid-west people more conscious of what people in other parts of the country were doing toward the solution of their peculiar problems.

For another thing, it gave the governors of other states, especially those far removed from the Mississippi Valley, another idea of Missouri and the Mississippi Valley, its resources, its scenic beauties and its great industries.

So I can say with truth that the conference last year was mutually beneficial to the people of Missouri and to the governors themselves; and I feel sure this conference will prove equally beneficial, educational and inspiring both to us who are here, to our host, Governor Hoffman, and the people of New Jersey.

We meet here in this wonderful city by the sea, the chief resort and playground of the eastern part of the

United States,—perhaps I might say of the whole United States,—amid ideal conditions. Nothing could be done toward our comfort and entertainment that has been left undone by those ideal hosts Governor Hoffman and Mr. Tousley, and their efficient assistants and co-workers.

We bring here our state problems, some of them of a general nature and others of local and sectional importance. By free and frank discussion and the exchange of ideas and experiences we will go forward toward the solution of these problems.

I, for one, can say that I am extremely glad I came to this conference. I have already learned much from the proceedings here and from personal contacts with the other governors and members of their staffs. I have formed friendships which, I am sure, will follow me through my whole life. And I hope to attend all future conferences during my term of office, and I hope that next year we shall have the governors of all of the states of the Union in attendance.

We will now proceed with the regular order of business. The first item on the afternoon program is the subject "The Increasing Scope of Federal Authority," by the Honorable Clyde R. Hoey, Governor of North Carolina. Governor Hoey. (Applause.)

Governor Hoey

Increasing Scope Of Federal Authority

GOVERNOR HOEY: Mr. Chairman, members of the Conference and visitors: I wish that I might plead that I was as well prepared to discuss this subject as a minister friend of mine down in North Carolina in the olden days, back in the time when preachers talked about Hell, sin, judgment and a great many other uncomfortable subjects. We had a revival out in the territory, in an outlying section. Friends of mine from the North were visiting there. I thought it would be good for them if they heard preaching like that.

So the next morning I saw one of them and asked him how he liked the sermon.

He said, "All right."

I said, "What sort of a sermon did he preach?"

He said, "He preached a terrible sermon."

"What did he talk about?"

"He talked about Hell."

"How did he seem to know about it?"

"He seemed to be terribly familiar with it. He talked about it like he might have been born and raised there."

I was not just exactly born and raised with the subject assigned to me this afternoon, but I welcome the opportunity to attend this conference of the governors and become better acquainted with those dealing with the same problems which confront me daily, and charged with responsibilities similar to my own.

The subject assigned me for discussion: "The Increasing Scope of Federal Authority," has engaged the

attention of thoughtful people in all the states for many years, and has been brought forcibly to the fore during the years of the depression when the activities of the federal government have been greatly magnified and extended into many fields not hitherto entered, so that a common inquiry is "What next?"

The ancient doctrine of states' rights has agitated the public mind for decades and furnished the theme for many political debates and public discussions, and the virtues and limitations of this doctrine have become well established in public thought. I do not need to declare my views upon this question, since the section from which I hail and my life-time political affiliation, would indicate my reverence for the state as the prime unit of government and my belief in its efficiency to meet the needs of a free people in their ordinary affairs of life and its supremacy in determining the policies of government within its borders. My political philosophy remains unchanged, but I confess that circumstances and altered conditions have made it necessary for me to recognize that the state has been gradually surrendering its sovereignty in one particular and another to the federal government without making any specific grant, but by common consent of its people in the acceptance of governmental favors and assistance, and in reliance upon federal authority and agencies to administer various forms of governmental service within the state, and to regulate and control the activities of the people in the several states engaged in the same form of employment or business.

There has been an increasing centralization of authority in Washington. This trend is not of recent origin. I well remember that a quarter of a century ago the theme was one of warm discussion in newspapers and in the public forum of debate and the country was warned of the results to follow this encouragement offered by the states to the general government to come into their borders and perform all kinds of governmental service. The spending of money by Washington to aid in projects meant that certain standards provided by Washington were to be observed and that similar

regulations would control and direct the policy, even when the state and federal governments jointly contributed to the enterprise.

Through the years this centralization of authority has been accentuated and the financial wreckage and economic disaster furnished the occasion for greatly augmented encroachments upon state authority, when multiplied federal agencies were operating in all the states and performing functions hitherto limited to local units of government, public charities, or the regulations of business or farmers organizations. Without regard to individual views it is of no effect to cry out against these encroachments upon the provinces of local governments and this assumption of authority and service by the federal government where the people of the several states have been wildly clamoring for this governmental assistance and demanding enlarged service from the federal government.

The trend has been for thirty years and is increasing today to drive down the importance and power of the smaller unit of government and to enhance the prestige and power of the larger. I am not saying that this is bad or that it is good. I am making the observation. Let me illustrate with what has happened in support of public schools in North Carolina.

In 1901, the general assembly of North Carolina for the first time in history made an appropriation from the general fund of the state treasury to be distributed among the poorer counties of North Carolina as an equalizing fund for the public schools. It appropriated \$100,000. This appropriation is referred to as "the first hundred thousand." Before that time the public schools were supported by the counties and local communities. In some districts there were good school buildings, trained teachers and an eight-months term. In others, there were one-room houses, neighborhood teachers and a three-months term. This policy of state aid became popular. By 1910 it amounted to \$250,000. In 1929 it reached 6½ millions. The momentum was so great that in 1931 the state took over the entire financial sup-

port of the constitutional six-month term in all of the one hundred counties, and in 1933 increased the term to eight months and appropriated 16½ millions for this purpose. In 1937, the present general assembly has just appropriated 24 millions. Thus we see the shifting of the burden of public education from the local units of the government and it becoming the obligation of the state. I am not unmindful of the fact that this shifting has much to be said in its favor. But here I am illustrating a trend.

It is amazing to observe how this state precedent has extended its educational limits and is now becoming essentially interwoven with our national policy. The federal government has for a good many years been increasing its interest in and its aid to public education in the states. There is pending today in the Congress a bill introduced by Senators Black and Harrison to appropriate \$100,000,000 for public education in the United States. Those of us who know how a movement of this nature once begins and takes root would hardly hesitate to predict that if this bill passes it will develop into a national repetition of what has occurred in North Carolina. If it passes, I would not hesitate to predict that within the next ten years the federal government will be appropriating at least \$500,000,000 for public education.

It naturally follows, as a matter of course, that when the federal government steps into the performance of what has been accepted heretofore as a state function, the federal government will follow with a program of control. We have but to look at the policy that has been developed with respect to the construction of state highways during the extended period of increasing federal aid to have a pretty clear idea as to whether control follows appropriations. In many states most of highway construction built since 1931 has been built out of federal aid, and the United States Bureau of Public Roads has an effective if indirect voice in deciding the type of road to be built, the location, and the time.

I have just discussed schools. In 1929 the State of North Carolina assumed the maintenance of every mile

of county and township roads—comprising then over 45,000 miles—in addition to the primary state highway system, and all counties and townships were relieved of any burden or responsibility for road maintenance or construction, and prohibited from levying any taxes for this purpose. The state builds and maintains all highways now and the smaller units of government have no financial responsibility and no power of control. This is but another evidence of the diminishing importance of the counties and townships and the centralizing of power in the state. The state levies no taxes on property for either roads or schools.

These are but two illustrations but the tendency runs through all governmental service, so that the same process has been going on in the state with reference to the smaller units of government that has obtained in the nation as affecting the several states.

In the matter of relief we see the most striking recent illustration of the modern tendency to move the functions of government to successively larger units. When the interest in relief problems first became acute in the early stages of the depression, it was purely a matter of local concern and responsibility. Local private agencies tackled it. As the depression grew they quickly exhausted their resources and abilities and called upon the local units of government for public assistance. Before a plan of cooperation had even been worked out the problem became too big for both types of local agency combined, and demand was made upon the states. The states very promptly found that the burden—compared with today, still relatively light—was too great for them to meet with their revenue sources which were progressively drying up.

At their insistence, the federal government then entered the picture. The Reconstruction Finance Corporation was authorized and empowered to lend \$300,000,000 to the states for the administration of relief. This seemed to me in North Carolina, and I suspect it did to you in your state, to be a staggering sum to spend for public relief. Two desires were uppermost in the states—one to get their proper share of the relief funds—

the other to meet the needs economically. Looking at the states as a whole, it seems to me that, from the initial appropriation of \$300,000,000 as a loan, to the appropriation made in January of \$800,000,000 as a grant to finish out the five months remaining in that fiscal year, the desire to get "our share" has won out over the desire to administer economically—in my state and yours and all the states.

These illustrations indicate a definite lack of ability on the part of state governments to meet important situations and vital issues which are inherently, with unimportant exceptions, internal local problems of the particular state in which they arise. Problems of this general sort do not just naturally go to Washington and knock at the door of the federal government. They evolved into federal problems. They got federal consideration because the governments of our states did not stand up in meeting these problems at the time when they could have in large measure solved them themselves. They have been allowed to become competitive as between the states just as surely as have such problems as the hours of labor in cotton mills or the acreage planted in tobacco.

Much has been accomplished in many states by reorganization programs, in which the various state agencies have been coordinated and rendered more efficient; power has been centralized and economies effected in administration; budgets have been adopted and expenditures held within the limits of income and available revenue. I pause to say that my state has profited much by the adoption of budgetary control and strict observance of business administration and economy with the result that we have met all obligations promptly throughout the period of the depression and substantially reduced the public debt, and maintained a balanced budget.

Notwithstanding all of these achievements by the states in strengthening the governmental structure there are so many things that the states have not been able to accomplish. No type of reorganization or concentration of state agencies has succeeded in overcoming the im-

potence of the state to deal effectively and constructively with problems that arise in a particular state's relationship to its neighboring and competing states. I mean states that are geographically, racially and economically homogeneous. To illustrate: the people of North Carolina find themselves today as much concerned in many important issues affecting their lives and their welfare with the standards and quality of government of Virginia and Tennessee on the one side, and South Carolina and Georgia on the other, as they are with the standard and quality of government which they provide for themselves. The hours of labor permitted in the cotton mills of South Carolina and Georgia has a more direct effect upon the welfare of a large part of the industrial citizenship of North Carolina than does the question of county or state maintenance of highways in that state. The control or lack of control of tobacco or cotton acreage in North Carolina is of vital concern and economic interest to all of the other tobacco or cotton producing states. The state is powerless to legislate on these important questions beyond its territorial limits, and hence this furnishes an additional opportunity for the federal authority to be exercised. We have witnessed the extension of this authority in the field of agriculture, manufacturing, banking, railroads and general relief work, not to mention the wedge of this encroachment by furnishing financial assistance in many other activities.

What can be done about it and what should the states undertake to do? If the states continue to suffer further encroachments upon their sovereign authority it will be due largely to lack of wisdom and foresight and courage to handle the problems that are essentially interwoven with similar problems in other states—problems that are either regional or national in scope and effect. I do believe that neighboring states, homogeneous in people and ways of life and livelihood, can informally cooperate to excellent advantage. I believe that they may find ways of doing this if the road can be paved so as to disabuse their minds of the fear that they may lose something in that action or that advantage will be taken of them by smarter neighbors. The field of cooperative

legislation and the will to adopt uniform laws by the states similarly interested and affected touching vital questions affecting the economic status offers the most hopeful avenue of approach for the settlement of these questions short of federal regulation and control, and the increasing usurpation of the authority of the states.

There has been evolved in the minds of the people of all the states a new philosophy of the functions of government in an enlightened modern civilization, and whether we approve or not there are many assumptions of authority by the federal government which will continue to be exercised. When the Constitution of the United States was adopted and for more than a hundred years thereafter, probably nine people out of ten looked upon the state and federal governments primarily as instrumentalities for the control of anti-social conduct. The purpose of government, according to the accepted view of that day, was to suppress crime, regulate interstate commerce, collect taxes, provide courts for the adjudication of conflicting civil interests of citizens, and provide for the common defense. Even so vital a matter as education was regarded as a local or community problem. Government was remote from the people and was regarded as something of a foreign entity concerned largely with exercising restraints and enforcing penalties on the citizen. The average citizen read in the newspapers about debates in the legislature on public education, and speeches in Congress about our foreign affairs and internal improvements, but the average man in that period never heard of a public health officer, a farm agent, a welfare officer, or a Walsh-Healey field inspector. The government's concern for agriculture found its principal expression in annually sending free seeds to the constituents of the members of Congress. There was no Federal Land Bank, no Federal Home Loan agency, no Reconstruction Finance Corporation, no WPA and no alphabet organizations.

Within a comparatively short time our conception of the fundamental function and purpose of government has undergone a profound transformation. Today the principal concern of government is not human perversity

—it is human needs. The best philosophy of this day visualizes government as meeting the intimate needs of the people and aiding in the solution of the problems vitally affecting their welfare. What has brought about these basic changes in our people's thought of government? The answer must be found largely in the changed conditions under which we live. Modern society is no longer a loosely related aggregation of human beings living in a social and economic isolation and sufficient unto themselves. We must recognize that complexities of modern civilization create new conditions. New conditions demand new remedies and new problems confronting agriculture and industry require new solutions, and hence federal action has been necessary in many instances where formerly state or local action sufficed.

We have increased our complications in government by the transformation in means of communication and travel. We have grown and developed faster than we have been able to control. We fly from coast to coast in immeasurably less time than it took the Founders to go from one state capital to another, and as we fly across the continent we observe the boundaries of nature that distinguish one region of our country from another, but we cannot distinguish the invisible lines separating the several states. The radio broadcasts observe no state lines, but follow the wave-lengths to the limit of their power. With the increasing complexity of our civilization many phases of our activity pass beyond state control and regulation.

In any consideration of recent trends in state government and of the future of state government it is helpful to recall the circumstances of development of the states and of their entry into the Union. The states were already a century and a half old when their representatives framed and adopted the Constitution. The states were then, and they continued for many years to be, the chief interest and concern and the principal object of governmental allegiance by the people. In the formative period it was not a question of whether the central government would usurp the powers of the states, but rather a question of whether the national government

would be strong enough and close enough to the people to survive. The priority of the states in the federal system continued from the formation of the government until the war between the states, and from that period until this there has been a constant enlargement of activities and increasing of functions performed by the federal government.

In this discussion I have not sought so much to advance my own ideas touching proper state and national boundary lines in governmental service, but rather to recount conditions as we find them and to express the view that the public now demands expanding protection and service, and unless the state is capacitated to meet these needs, the federal authority will continue to increase in scope. This is a changing world and growth and progress is the law of life. This applies to government as well as all other human activities. People have become government conscious in both state and nation, and intelligent participation in government by the masses of the people is the surest guaranty of the security of our rights, the preservation of our liberties, and the proper administration of governmental functions, without prejudice and without favor. Government is properly the concern of all the people. If we do not wish the federal government to regulate all of our internal affairs the states must assume the responsibility and duty of measuring up to the high expectations of a free people.

There is still much for the state to do in a governmental way. It can maintain law and order within its borders. It can protect the rights of all of its people. It can promote peace and harmony and good will among all classes. It can be just and fair to the weak and the strong, and safeguard the rights of person and property. It can dare to lead sanely in this period of change and transition and furnish an example of a wise and just use of governmental power.

GOVERNOR STARK: Governor Hoey, we appreciate very much the facts you have brought before us, and we realize the great importance of those facts. We all realize also that if there is anything to be done it must be done by this group or by closer cooperation. I think that

is one of the finest things that may result from this conference.

We have two other addresses on similar subjects. After that we will have a round-table discussion on all three of these related subjects.

The next subject is "Should States Surrender Authority to Federal Government in Conduct of Schools," by the Honorable Olin D. Johnston, Governor of South Carolina. Governor Johnston. (Applause.)

Governor Johnston

Should States Surrender Authority to Federal Govern- ment in Conduct of Schools

GOVERNOR JOHNSTON: Governor Stark, Mr. Chairman, fellow governors and guests:

I noticed a few moments ago Governor Stark talked about big apples. We have a different kind of big apple down in South Carolina going the rounds just at the present time. It originated in my capital,—that is, the capital of my state; and if the governors will just agree to it and come down to South Carolina next year and hold the convention there, I will have the colored people here to show you just how to do that “big apple.”

Now, I could talk about my state. Governor Stark said his state won the war. He forgot that the 30th division from North and South Carolina helped to win that war also. And I could also tell you that South Carolina started a war back a few years ago. (Laughter.)

So there are a great many things down in my state I could talk to you about. But I haven't time just now. So if you will just come down next year I will let you know just what-is-what in South Carolina.

Now, in my address I am going to have to, in a great many instances, mention my state. I want you to please excuse me for doing so and not think that I am bragging in South Carolina or talking about my state because I am from South Carolina, but I want you to realize that I am mentioning my state because I am more familiar with the facts and the conditions in South Carolina, more so than in any other state in this nation.

I feel deeply the responsibility and honor of addressing you today.

My subject is a momentous one. It has tremendous actual and potential significance. Public education is to my way of thinking, one of the two most vital factors of our civilization. Education and religion determine and regulate human liberty and general welfare in a democracy.

The importance of education is so overwhelming and unique that it cannot be accurately measured. All of us know that it is essential to the individual, and consequently to the masses of the people. Because it is such an integral part of our civilization, we should vigilantly guard it against any influence that might tend to interfere with its free progress. We should be as jealous of individual liberty in education as we are of individual liberty in religion. As I view it the two are parallel and inseparable.

The question asked today is: "Should States Surrender Authority to the Federal Government in the Conducting of Schools?" Think of that! "Should States Surrender Authority to the Federal Government in the Conducting of Schools?"

If that is intended to mean all authority, it would be a waste of time for me or anyone else to attempt to debate the matter. There could be no reasonable argument for such a surrender. I am quite confident the answer of you governors would be a rousing chorus of "noes." Any other decision would spell death to our democracy. Mass production of citizens would end all freedom that citizenship implies.

There is, however, a definite and debatable problem when we consider surrendering some authority to the federal government. We see such a trend in the subjects to be discussed by the National Education Association which meets in November. One of the main themes of this meeting will be that of federal money to assist in the operation of public schools in the state. Then, too, there is and has been a strong movement for the creation of a federal department of education.

Such movements and questions as these indicate the problems that confront us. They are already here. I

do not believe that there is any substantial following for either a complete or even a partial surrender of authority to the federal government. But there certainly are definite tendencies toward centralization in the field of education. All of us here can see this plainly.

The most serious question seems to be one of the extent to which states should and would be willing to approve certain standardization of methods in public education. Unquestionably there are definite advantages to be gained through cooperative steps for standardization up to certain limitations. A mutual consideration of general problems through a central agency—mind you, I say **agency**, rather than authority—has great possibilities. There are many ways in which one state's experiences could help guide another state in the right direction if there were some well-organized central agency through which to take up kindred problems, and through which the best ideas and experiences could move as a clearing house.

Yet the danger of too much centralization, of too much federal authority, or federal influence, is certainly real, if not readily apparent. As I see it, however, there is no reason why a national department of education, could not be organized and operated to assist education in the several states without in any way conflicting with the sacred rights of states.

A simple declaration of policy, the terms of which would be unmistakably defined, would eliminate the dangers.

The substance of the policy I suggest would be: That there be created a Federal Department of Education to which the states might go for assistance, and counsel, but that the relationship would be devoid of any arbitrary power or dictatorial jurisdiction on the part of the national department. States that desire to cooperate could do so, but the relationship would remain optional on the part of the individual states.

I, for one, could never consent to a policy permitting the federal government to tell South Carolina how it

should run its schools. On the other hand, I cannot conceive of any governor turning a deaf ear to an offer of cooperation and assistance, financial or otherwise, from any source for the advancement of public education—provided it came unencumbered and free of either political or governmental strings.

When I speak of the need of public education, I know much of what it means, coming as I do from a state, which until recent years, trailed at the bottom of the states in literacy. The plight of helpless, uneducated people, who must compete with those who have the advantages of training and knowledge, is apparent to all of us.

With pardonable pride, South Carolina calls attention to the vast improvements in its public school system. According to the expert, Mr. Newcomer, our state has made rapid advancement in recent years in its educational system. Since 1930, South Carolina has climbed from fortieth place in Newcomer's ratings to third from top, in its efforts for education.

There remains, of course, much to be done. Indeed, there will never be a time when perfection is attained anywhere in the field of education.

At present, South Carolina uses twenty-three per cent. of all of its taxes for schools as compared with the average state school output of 22.72 per cent.

I feel safe in saying that South Carolina would be ready and willing to go along with the other states in any progressive cooperative movement which would not endanger the continuation of the present absolute control of our schools by the state and the counties and districts in the state.

During the unusual period through which we have been passing, with all of our united efforts to bring relief and restore the confidence of the people of the United States, there have been complaints from reactionaries about alleged invasion of state rights. Nowhere have these cries echoed more loudly than among a few of our own reactionaries in the South.

The rights of the states are important, and constitute a fundamental part of our American system of government. However, there are other rights which we cannot ignore. I refer to the rights of our people to peace, security, and happiness.

When disaster and starvation stalked our land a few years ago, and millions were unemployed and destitute, it was time for the federal government to hear the plea of our people, and I thank God that we had the courageous and humanitarian leadership of our great President, Franklin D. Roosevelt, to save us during that crisis. In that grave period, the emergency was confined to no one state. It was nationwide in its scope, and the national government alone was able to meet the issue adequately.

The rights of the states are important, but the rights of our people to employment, decent living conditions in industry and agriculture, transcend these governmental theories.

I realize that I am addressing men schooled in both the theory and the practice of government. We all have our theories on states' rights. We all have our opinions about the relation of some New Deal policies to states' rights. These will be fought out on other battlegrounds.

On states' rights in public education, however, my mind is made up. Our earnest efforts for education in South Carolina cannot be questioned. But if it comes to a question of surrendering in its entirety, the state control of schools for money, South Carolina will not accept such a proposal. As much as we desire improved educational advantages, our people would not consent to giving up absolute and untrammelled state control of our schools.

South Carolina would not tolerate any unequivocal and arbitrary standardization of the principles or practices in the operation of schools. Let me consider, for the sake of argument the possible results of a surrender of the states' control of their schools. What would happen?

First, there would be created an "authority"—a central, national "authority." It would be a bureau like no other bureau we have ever seen. It would probably be under a cabinet officer—a man chosen by the President of the United States.

This bureau would move to adopt standards and theories and ideas, and probably propaganda, which would be packaged in capsules for the public school system of America and the children in our schools, all of the schools, irrespective of what might be prevailing local conditions in any given state. Our federal government, in all of its wisdom, under the most favorable leadership, could not possibly promulgate school regulations in one broad sweep that would recognize the needs and serve the people of all the states—with their varying conditions—at the same time.

In federal regulation there would necessarily be rigid uniformity, which would not reckon with the admittedly wide differences in local communities or geographical areas.

No, gentlemen, all that is out of the question. It is impossible. It could never be.

Were I the governor of New York, or the governor of Kansas, or the governor of any other state, I would raise my voice most emphatically against federal control of schools. I would say, at the very least, that such would be unwise and dangerous.

As the governor of South Carolina, I say that the idea is impossible to us!

I think that the people of New York State, faced with an admitted problem because of the huge foreign-born population, know better how to handle that problem than the people of South Carolina would.

Undoubtedly, the people of the State of Texas, with large Mexican populations in some sections, know better how to handle their problems than the people of South Carolina would.

This is true of other states, most of which have problems that are peculiarly their own.

When it comes to education in New York or Texas, the decision as to how it shall be conducted should rest with the people of New York or Texas, and when it comes to education in South Carolina, we insist that the decisions should rest with the people of South Carolina.

May I call to your attention the latest figures on enrollment in the free schools of South Carolina? For the 1936-37 session there were 477,000 boys and girls on the school lists. Of this number there were 258,000 white boys and girls and 219,000 negro boys and girls. In other words, the free school population of South Carolina is made up of 46 per cent. negro children.

May I say, parenthetically, that these figures disprove certain ballyhoo on the part of outsiders that South Carolina is neglecting the education of her colored citizens.

In states where the negro population is small you may not know just what these figures mean. The problem has probably not been presented to you as it has always faced us. There may be few negroes in your classrooms, but if you had our distribution of population you would have virtually half the seats filled, by negroes.

Needless to say, I would not attempt to sway you one way or another in your opinion of negroes, and the place they occupy, but I do assert that South Carolina will always demand its rights to segregate the whites and the blacks, a policy deemed essential not only to our welfare, but to that of the negroes as well.

We would not condone anything which approaches racial equality, or the intermingling of whites and negroes in our school system.

As I have said, we have just experienced many experiments of federal activity in what we formerly regarded as strictly state affairs. We, too, have seen the federal government enter upon many projects in the national emergency which none of us could have dreamed of a few years ago, but which were highly desirable at the

time. Many of these things admittedly were bold experiments. They had to be. Things had to be done quickly in the national crisis. We saw that when President Roosevelt closed all the banks in order to put banking on a sound basis and restore a lost confidence.

Now, however, we can look back on many of these experiments.

The emergency is waning and business conditions are improving. The wisdom of some of the extraordinary measures may justly be questioned. But, gentlemen, no fair-minded man can question or malign the high motives which actuated these measures. Already we see some which were monstrous errors, but I think in passing judgment we should consider the whole. It is like a football game. The grandstand quarterbacks call their plays after they see what has happened on the field; but if they were in the line of play, they would probably make more errors than the players they criticize so freely. Every man has his own opinion on the results of the campaign against the depression.

Personally, I regard the net results of this campaign as a glorious victory for our splendid leader, President Roosevelt, and an army of followers made up of the vast majority of our American people. In many instances, political affiliations and old dogmas were forgotten. That was evidenced time and time again. This showed that foremost in the minds of our people, in times of stress, is the one thought of the general welfare and betterment of our nation as a whole.

What a splendid battle of all the people of our great nation! Only a free democracy such as ours would have made it possible. Had any substantial part of our people veered from democracy in their panic over the economic crisis there could and would have been an actual, rather than a political, revolution.

The very unity of thought and action of our people was the expression of our democratic spirit. Democracy is a government by the majority. And it was the will of the majority which asserted itself during the emergency. Even the Supreme Court recognizes that.

However, there does not exist a national emergency in public education!

It may very well be promised that the states would have the privilege of controlling their schools under national legislation. It may be that laws sufficiently strong to guarantee absolute independence for the states could be drafted.

On the other hand, however, there could be no guarantee that another administration might not come along and change the whole set-up, if we ever let down the bars sufficiently to allow federal authority to govern the operation of schools. Manifestly, we cannot read the minds of future administrations.

It is my hope and ambition to lend every effort within my power to advance education throughout the United States. I want to see South Carolina, and all of the states, continue to improve their standards; but I could not join any movement to threaten the unreserved control of our schools by the individual states.

It has been stated that the true objective of public school education should be "not so much to inform as to form the pupils." In that declaration lies the unfathomed danger of placing the plastic minds of the youth of our country under the direction and control of any centralized department in Washington. Such an experiment might prove a happy move temporarily; under the proper direction, great good might be accomplished. However, the suggestion is fraught with too grave a danger to be undertaken wisely. We cannot foresee the future. And once any department or branch of the government is given full control of all of the schools of this land, we have no assurance that the system would be operated free of religious, personal or political prejudices. It is too grave a step to be seriously considered.

It is a well-known fact that in some countries where absolute dictatorship rules today, the greatest factor in the perpetuation of this one-man rule, is the control of the youth of the land. Someone has wisely said that if

you want to get an idea into the soul of society, put it into the minds of the youth. The theory of the militarists is, "Give us your children, and we will make of them soldiers" who will fight to maintain dictatorships already in existence.

It is my personal opinion that the surest road to dictatorship in America would be to subjugate our public schools, and the children of the nation, at the impressionable age, to unhealthy ideas of one-man government. We are all in accord with the individual states of the nation to do everything possible in the interest of a more enlightened citizenship, to be achieved through improvements in our school system. The right to obtain an education should be as free to the children of this land as is their right to worship God according to the dictates of their conscience.

Any discussion of education, in my humble opinion, would be incomplete without a reiteration of this old truth. We should educate the heart as well as the head. If a little knowledge is a dangerous thing, a great deal of knowledge, without the proper education of the heart and conscience may prove to be a great deal more dangerous. Thoughtful study of this, over a period of years, has convinced me that any education which omits God is comparable to the folly of the man who built his house upon the sand. The sturdy structures of good citizenship, so essential to the progress and development of a nation, are developed upon character—the character that is inculcated in our boys and girls at the knee of their mothers. Without any intention of sermonizing, I should like to say at this point that it has been my observation, both as an attorney and as chief executive of a state, that the lack of proper parental training today, and the neglect of duty by so many parents, is a serious development in our present day and time. As I have just pointed out, education does not consist entirely of book learning. Its true definition is much broader than its application to any one field or subject. For this reason, we see so many examples on all sides of young people who are not measuring up to the standards we should expect in this enlightened age. They are failing to do

so because so many parents are prone to place the full responsibility for training and disciplining of their children in the hands of our public school teachers. In reality, the corner stone of education must be laid by the firesides of our homes.

I have purposely digressed somewhat from the subject assigned to me in order to call attention to facts which have a most important bearing on the present, and an even greater bearing on the future course of our country. We should not consider turning over the control of our schools to any federal or centralized agency, for a number of reasons that I have heretofore mentioned. One of the most important arguments against this plan, which I have not mentioned, is the fact that there is less concern for the training of children in our homes than ever before, which means that should a centralized authority have jurisdiction over American school children, they would naturally be more susceptible to any false teachings or propaganda in the schools.

If the few hours a day of training for American children are to be primarily intrusted in the hands of our public school system, then it is very important that that training be of the highest type and every precaution taken to keep that training free from any unsound influences or prejudices.

In consideration of this subject, it is wise for us to recall the Master's words that "A little child shall lead them." Our nation will rise or fall, survive or perish, to a large degree, according to the manner and method of our public school system. Its unfettered freedom must be preserved with the zeal and determination of our fathers who wrote in blood the right to worship God and keep the church separate from the state.

(Applause.)

GOVERNOR HARDEE: Governors, not taking issue at all on that splendid address, because I am too much in accord, but if South Carolina expects money from the federal government will not South Carolina then have to accept the regulations? If South Carolina accepts the regulations, haven't you waived your rights?

GOVERNOR STARK: I am sure we are all greatly indebted to Governor Johnston for his splendid address, and I know we will want to discuss it a little later.

The subject of the next address is, "Obligation of the States in Relief and Unemployment," by the Honorable Richard C. McMullen, Governor of Delaware. (Applause.)

Governor McMullen

Obligation of the States In Relief and Unemployment

GOVERNOR McMULLEN: Mr. Chairman, the governor of Missouri, Governor Hoffman of New Jersey, fellow governors of the various states, ladies and gentlemen:

In reading the biographical sketches of the forty-eight governors which was presented to me with my name engraved upon it, and reading, as far as I could during the evening, that there were a great many lawyers, teachers of schools, universities and men who have served many years in legislative halls, I thought to myself that a mere tanner of leather might possibly feel at home after a while by associating with the various gentlemen. And I want to assure you, Mr. Chairman, that I am beginning to do so from the very hospitable manner in which I have been entertained. The speakers, commencing with Governor Cross of Connecticut, invariably spoke of their own states. Naturally, it will be my privilege to confine myself to Delaware, because having been within its confines very closely since the day and hour in which I was born, I know more about it than the other states.

The subject that has been given to me this afternoon is one that I wish could be solved here by you men. It is one I wish that we could see our way clear to arriving at even some knowledge of it, because after seven years, maybe longer for some of you, it is a problem that confronts me almost daily in my home and in my office at the capitol. Relief, as it exists today, is not the relief when I was a boy. Relief, when I was a boy, consisted of a piece of fat meat, a bag of hominy and a small bag of white corn meal. Many of you men are old enough,

probably, to realize just what I am talking about. It was given out by the farmers and by the various storekeepers of the neighborhood, to be worked out when spring opened and work started on the various farms, and in the small places of business.

Today relief does not mean that. Relief means education. It means potatoes delivered at the house from Maine, from Virginia, grapefruit from Florida, oranges from California. I have seen it and I know what I am talking about. It means an automobile to drive up to your house with a widow pressing her claims on you for relief from the state.

So that it is a far cry from the hominy and meal and fat meat to the present day relief situation.

So that I say when you are here this afternoon trying to arrive at some conclusion, I am afraid that the conclusion will not be arrived at today or next year, because I feel sure that relief, as I see it and have studied it during my short period, is here to stay with us in some form or other.

Speaking of the various states, I was thinking of my own state. I wish the chairman was here. Maybe I had better hold this one.

I told you that the tanner of leather probably would not feel at home in a group of this kind, a leather that has been made in Wilmington, Delaware, for twenty-five years. And you will see it in all colors that were perfected in the plant in which I was employed: red, white, blue, green, gray—gray was very popular for many years, blue also, for ladies' fine shoes, made by the International Shoe Company of Missouri, made in the shoe factories of New England, except probably in Connecticut, many in Massachusetts, and one in Virginia.

So that there are many things in Delaware that I might talk to you about this afternoon without confining myself to the subject at all. Starting with New Castle County, the county of my birth, with its rolling hills, and then gradually working down into the next county,—and by the way, Delaware consists of three counties only,

so some of you folks from the other states can realize it is quite a small state, but it is not small in ideas or small in its ways of doing them. Kent County develops another thought in farming. It gradually merges, as you go from Kent into Sussex into another class of farming that is not surpassed anywhere in the United States. We have apple orchards that are not to be equalled, unless you go through the Shenandoah Valley and up in some of the other Appalachian states, and Washington State. As to poultry raising in Delaware, Senator Steele, who served in my legislature, produced 150,000 broilers. Someone spoke to him one day and asked him if he was doing very much now. That was this year.

"No," he said, "I only have 25,000. We are not doing very much."

So that the State of Delaware probably has not as much relief as some of the other states. In fact, I wrote to one of the western states just a few weeks ago on migrant labor. We are encouraging people to come to Delaware. Cannon's factory, a canning factory at Bridgeville, Delaware, I was talking to one of his men last week. He is the superintendent of schools in Sussex County. I asked him how he was doing this summer as superintendent of schools there.

He said, "Why, I am doing very well."

He has had charge of Cannon's employees out in the fields. I said, "How do you make it. How many did you have?"

He said, "I had 800 bean pickers." 800 bean pickers picking beans on one farm for one man there. Many of the other farmers around the neighborhood also had large acreage of beans.

I said, "Where did you get your labor?"

He said, "From Florida to New York."

So that the migrant laborer is employed more or less if he stays within our borders, that is, during certain months of the year. Probably the other months he might go to Florida or California where they had to put up some restrictions to keep him out.

I heard that mentioned last night, and the Governor of Florida was kind enough to add, "Let them all come, rich or poor." I might add "the rich," because when I was in California a year ago checking over the situation I realized what it all meant, that they wanted the middle-aged men who had worked hard in the east, in Iowa and the other states to come to California and spend the remaining years of their lives and bring their money along with them. So you folks who have accumulated some money in the meantime, California, I am sure, will welcome you with open arms.

To Governor Hoffman I would like to express a word of appreciation for his fine hospitality that he has extended since I have been here. I have lived adjacent to this state, the wonderful State of New Jersey with the same river bordering the shores of Delaware and of New Jersey all my life, and as a boy I looked across and wondered what was on the other side of the river. It is with much pleasure and satisfaction that I attend our governors' conference in beautiful Atlantic City, renowned playground of the world. Those of us living within a few hours' journey think nothing of spending the day at Atlantic City and returning home the same evening. Many of the resorts on the Jersey shore are widely known, proving to the world that New Jersey is really the ideal place to restore health, if not our youth.

To those of us who are in an older class, the youth of the East until just recently had an excellent opportunity to seek and attain any vocation he desired. The poorer his circumstances, the more likely he was to get a steady job and keep it. In fact, I would say that this class was more sought after and more likely to maintain a position through life than a person with greater means.

We have lived to see this order of things very materially and seriously changed. We have segregated into CCC camps, Delaware and all the other states, hundreds of thousands of the flower of our country, the same kind of manly material that helped make this nation what it is. I have been advocating and am going to continue to advocate, that manufacturers send repre-

sentatives to these camps, pick out those who desire to learn any of the useful trades and give them employment. If this should fail in our state and other states, then we could ask the state and federal government to establish vocational schools where the young men would be given an opportunity to take their place in the industrial field and become good and valuable self-supporting citizens.

I contend that these boys, if given the opportunity, will make not only good employees, but, in time will become the employers of labor.

If employment could take care of young men, young women and men under forty-five years of age who can and will work, there should not be a hungry person nor a person without a home, proper food and clothing in our entire land.

A quotation of years ago which has been repeated many times is, "What this country needs is a good five cent cigar." What I think this country needs today more than anything else is for thousands of men to become employers and go out into the world hewing and carving their way as their forefathers did through the wilderness.

We will not have learned our lesson properly if we do not, from the experience gained in the last seven to ten years, so utilize all labor available, properly regulated as to reasonable returns from labor, whether in wages or in commodities. There is being built up and strengthened under the present organization of labor and corporations whereby youth is barred and men over forty-five can no longer expect to make a living, but will have to be carried for the balance of their lives from taxes imposed upon the return of labor.

I had a little argument with the president of our concern sometime ago that any tax, whether it was Social Security, whether it was relief or whether it was anything else, put upon a product and upon a person had to be paid for by the advance in material. A properly regulated concern, whether employing 800 men picking beans or whether it has thousands of employees in a

plant, if you haven't got a competent bookkeeping force to regulate your costs, whether it is taxes or whether it is labor, whether it is the cost of your raw material, if you haven't got a competent office force you will not be in business very long.

What would you say if you went to a bank and wanted to borrow \$50,000, as some of us had to do in the beginning, and the banker would say to you, as he should, "Are you busy?"

"Yes, pretty busy."

"Selling your goods at a profit?"

"No, not quite. I am going to lose a little money."

Do you think you would get your money? Not if he was a good banker. You have to sell your goods at a profit to borrow money from a bank, whether you are building a house or manufacturing goods. So that all costs must be charged to the finished goods.

If I were a writer or a fluent speaker as some of you men here are, I would prepare an article on the value of lost labor, setting out at great length, in language that burned deeply in the minds and hearts of the people what has been lost, is being lost, and what will be lost if there continues to be additions to the worthy unemployed to an even greater degree than we have experienced in the last ten years, and let these additions be looked upon as part of our system and something that could not be remedied.

There will be a greater bonded indebtedness in Washington, a greater one in the states and in the counties and in the cities. The slum areas in our cities will spread like a cancerous growth in the body or that portion of a field that has not been cultivated for several years. I think it should be along the line of a complete employment for everyone so that the fertility of our once unbounded acres should not be depleted, our forests being destroyed and other natural resources used up at a precarious rate. Food to every person, homes as we are accustomed to them in late years, or at the present time,

1937, with the satisfying comforts to a citizenry composed of high school and college graduates will call for longer hours and more complete occupation than can possibly be estimated until that labor is put into effect. Ordinary labor to provide all of these things should be looked upon as an honorable occupation, and any wage should be comparable to the highest paid labor known, as I consider the occupation devoted to the necessities of life to the human race, the most important of any in the world.

Each and every state of our forty-eight states and our territories should work out to its own satisfaction the welfare of those who are living within its borders. It would be impossible for Maine to set up a standard that would be satisfactory to the middle Atlantic states or the southern states. When I say "the southern states," I mean the extreme, like Florida. They have a warm climate all the year and other things in proportion. So I think that each state should adopt its own system of how to care for those within its borders. Different thoughts, different climate, and in many cases different kinds of labor, for each and every state.

To the migrant or to those who wander from state to state, there should be given an interstate passport.

I have often thought as I have attended meetings such as this, and other public gatherings, in the past few months, where there has been ability and thought, if it would not be possible, with a little extra effort and without much depletion of our bank accounts, to regulate our affairs so that all of these things could be brought about in such an ordinary manner that we ourselves would gaze in complete satisfaction and wonder if at last our United States of America had worked out a program of living which could almost be considered a veritable Garden of Eden.

I might give you an expression along the line I talked over with a coal man more than two years ago. We had a young man, a young railroad employee with four babies, and I knew he was hunting work. The coal miners were idle in Pennsylvania, and are still idle. He

is not here so we will pick on him. Railroad cars are standing in every city by the mile empty. The coal yards had idle employees. People sitting down at home.

I said to him, "Wouldn't it be a wonderful thing if all of these sources could work just so many more minutes a day and deliver just one article to the people without any cost only the labor cost." Since then I have enlarged on that idea, and I believe if each state could work out its problem so that each and every person in it that was able to be employed could work along that line, that by just employing ourselves right straight through each and every person in the state,—not in clearing up our bonded indebtedness, but in working a little longer,—supply the needs of every person in its borders. I have said the thing could be worked out, and I have not given that up as yet.

There is a little story I want to tell you of Delaware. The Chairman was not here a few minutes ago. I told them of the wonderful leather being made in Wilmington and being put into shoes by the International Shoe Company of your state. They are great customers of the Allied Kid Company.

I have dwelt a little more fully on Delaware, as far as Missouri is concerned.

The story went something like this.

A very prominent lawyer, and one of the finest orators of the east (dead since) was invited to attend a banquet and to be the principal speaker, in New York City, a leathersmen's banquet. He told this story that was told me. I am not much on stories but I will try to repeat it without adding all the adjectives that it is possible for a fluent speaker to use.

He said a certain man died and went to Heaven, a very good man. Naturally, he was accorded all the courtesies that are possible for St. Peter to accord anybody. He was met at the Gate. He was conducted through, and starting he described the buildings, he described the wonderful paintings and the cherubim, seraphim and all the wonderful things, and the golden streets. And in

passing by he would see this man, a chain fastened around his neck. A little further on he would see another one. And he would see a beautiful woman over here chained. So he wondered. And St. Peter had conducted him almost through the entire heavenly area when his curiosity could not be sustained any longer. He said, "Please tell me why I see an occasional person chained?"

"Why, they come from Delaware. If they weren't chained they would go back." (Applause.)

GOVERNOR STARK: We all wish to thank Governor McMullen for that splendid address. And now we must consider all three of these addresses as they all bear on the same subject of state authority as compared with federal authority. I think this is probably one of the most vital questions before us as the representatives of the sovereign states of this great country, and I hope we will have a full and complete discussion of this matter.

It might be well first to take up Governor Hoey's paper, "The Increasing Scope of Federal Authority."

GOVERNOR CROSS: Mr. Chairman, if no one else wishes to begin, I will begin.

GOVERNOR STARK: Governor Cross.

GOVERNOR CROSS: First of all I would like to have it understood that I am not a graduate of Princeton. I seem to have given that impression this morning. I am a graduate of Yale and I was associated with Yale for thirty-six years, and am still in a way associated with Yale. But I am a friend of Princeton.

Does it make any difference which way I begin here?

GOVERNOR STARK: No, sir.

GOVERNOR CROSS: Of course, we have had a very interesting disquisition on education. I know all about that. The college finds fault with the high school when a boy fails; the high school finds fault with the schools beneath; and then the schools beneath find fault with the family. And then when we get to the family the wife passes the buck to her husband. (Laughter.)

Now, we in Connecticut have received large amounts for agricultural research from the federal government. We are now receiving assistance from the federal government in connection with our trades schools. We feel in both instances as if we were perfectly independent to go along our own ways. But there are dangers which have been brought out by the Governor of South Carolina. I have never yet become convinced that it would be a good thing to have a federal department of education that could get control over state public schools.

Now, of course, under the Constitution it cannot get direct control, but it can get really control, though it is indirect, by making grants to the states on certain conditions. There is where the danger lies. I think it is something that we should watch out against very carefully.

The general subject of welfare is one upon which I would like to make one or two remarks. You will pardon me if I refer to Connecticut, because Connecticut is like many of the other states. When we were largely an agricultural community it was pretty easy to look after persons who got into more or less distress during times of depression. And during this last depression very little has been done in the way of relief in agricultural communities where the farmers raise all sorts of things for the support of themselves and their families. But we have to remember that we have become, in certain parts of the country, in a large part of the country, an industrial civilization, and agriculture has been more or less industrialized.

Here come in new problems. Communities and states went as far as they could in many instances towards looking after these people who were out of work. But it was a direct assistance, a dole, if you wish to call it so. But the time came when something else was necessary. I think that we were in greater danger in 1933 than most of us understand. Our system is a capitalistic system, and in a capitalistic system when private industries do not keep men at work they must be kept at work by the state or by the federal government. In my mind there is absolutely no question about that. Otherwise

you get a seething revolution breaking out here and there, and in the end, if you do not look out, you will have something on your hands that you cannot control. So in the addresses I have given ever since 1933 I have stood by the President in his endeavor to preserve our capitalistic system by providing work. That was, in my opinion, the only way. And he has come through. Of course, there are dangers here. You get people on welfare work and they will loathe, sometimes, to go back into private industries. And the great problem now is to absorb, as far as we can, in our states and smaller communities, these people that have been out of work. It is being done in many places.

Just think of the changed situation. Here you take an industrial town. There is a man living in an apartment with his wife and children. He has been unable to save anything of any account. The depression comes. He has got to be supported in some way. If it is a short depression it may be by direct, that is, by the dole. But in a long depression you have got to put those men to work unless you want an insurrection and a revolution here, which would overthrow our form of government. (Applause.)

GOVERNOR STARK: I would like to have some more discussion on that subject. It is a very important one for us and we must not pass it over with too much lightness.

Governor Cochran.

GOVERNOR COCHRAN: Governor Johnston, what percentage of your school revenue comes from the state and what percentage from the local communities which have elementary and high schools in your state?

GOVERNOR JOHNSTON: The elementary and high schools receive pay for eight months for the school children, eight out of nine months. Some of the rural districts may get all of it. So there are different schools.

GOVERNOR COCHRAN: In our state, I might say, that the elementary school is not only required, but it is mandatory. High school education is encouraged by

free high school tuition. The total expense of both elementary and high schools comes from the local community. There is no state contribution other than small appropriations for normal training, \$100,000 each two years.

I concur very much with Governor Johnston's views and his ideas as to federal control.

GOVERNOR STARK: May we have some more discussion on that subject, please?

GOVERNOR WINSHIP: Mr. Chairman.

GOVERNOR STARK: Governor Winship.

GOVERNOR WINSHIP: I have had, I think, a rather unusual experience with reference to these subjects that have been discussed. I was sent three and one-half years ago to Porto Rico by the President, as governor, and since that time I have been addressing myself to the problems I met there.

I agree with Governor Johnston that we should not have too much interference by the federal government in the schools in the different states. I am very much of the opinion, however, that the government of the United States should observe with a great deal of care what is being done in the different states with reference to education, and to assist, as much as it can, in the different ways that the government has at hand, and certainly should cooperate in every possible sort of a way.

Governor Cross spoke of the intervention of the government with reference to agriculture. In Porto Rico today we have a man I knew in the Philippines years ago, who was there when the agricultural department and the experimental station of the United States federal government was observing what was being done there, and visiting different countries, as I did myself, trying to find the different things that might be done that were done elsewhere to prevent depression. That has been of very great value to me in Porto Ricò. Strange to say, the same man I encountered out there is the man in charge of the experiment station in Porto Rico and that

man is worth millions to Porto Rico in the advice he gives in reference to the different other agricultural products that might be introduced there. He did a marvelous job in that respect.

I think we observed that here; also the proposition as to the ideals that should be watched in the different states as well as reference to the territories. One of my first observations in going to Porto Rico was that we were slipping a bit there in the teaching of the English language, and I believe in these foreign territories, if we can call them that, you have got to watch that, because a language carries a great many of the ideals. One of the first things I did when I went there was to get the legislature to give me money with which to bring 100 Continental teachers there for the better teaching of the English language. The next year I got them to give me 100 more. This last year I got them to give me 100 more, because they realized, as I did, that through that medium we could promote the ideals upon which our government is established, and we can never find fault with the United States when it comes in and says, "You must teach the fundamentals to your children, you must not leave them untaught."

And this is a proposition to think over carefully if the federal government can cooperate to the fullest extent in that connection.

GOVERNOR PEERY: Governor, where is the money coming from for supporting those Porto Rico schools?

GOVERNOR WINSHIP: Coming from the insular government. More than forty per cent. of our regular budget is for schools. Porto Rico has it in particular, and they are very much to be congratulated for what they have done in that respect without assistance from outside. All of that money is gotten from the insular budget, just as we have done in reference to the building of our roads. We spent \$25,000,000 on this little island with practically no assistance from the federal government, not even the assistance that has been given to other states and territories.

GOVERNOR COCHRAN: What is the annual appropriation of federal money for all purposes?

GOVERNOR WINSHIP: That appropriation is tied up with the proposition of taxes. It is sometimes said Porto Rico is allowed a certain amount of money, and so forth, but Porto Rico has been denied for so many years many of the other things. If you take all of it that comes from the federal government to the Porto Rico government it would not be anything like the amount that has been given in a general way to the states.

GOVERNOR STARK: Governor, could you speak just a little louder, please, so we can get the record completely.

GOVERNOR WINSHIP: We are very grateful there, but it cannot be said we have received more than the states, because it is very much the other way.

GOVERNOR STARK: Governor Townsend, won't you come forward and give us your views?

GOVERNOR TOWNSEND: I did not want to make a speech, governor, I just wanted to say a word. I feel rather deeply about this subject of federal aid for education. I spent twenty years of my life as an educator and I am deeply interested in school work, the school system and school finances. I agree very generally with Governor Johnston on his proposition that in no case would I advocate or be in favor of the federal government establishing a federal agency that would direct the policies of our state schools. However, on the other hand, I believe that no service of the government is so liquid as that of education. We never know where a boy or girl is going to earn a living or become a part of society when we educate him. We had an experience in our state in 1924, and I ascertained from the state superintendent of public instruction these facts, that in tracing the whereabouts of the graduates of our two state universities we found that fifty per cent. of them not only did not return to the district or county that educated them, but left the State of Indiana. Now, it had cost roughly a thousand dollars of public money to take

those boys and girls through the primary schools, and then it had cost at least that much of public money to take them through the university, and then they had left our state, more than fifty per cent. of them, to go elsewhere in order that they might earn a living. In fact, they had been attracted where all the better trained boys and girls are, or the majority of them are attracted,—they had been attracted to the great centers of wealth. And it is my contention that the least thing that the centers of wealth can do is to send back enough money to educate another boy or girl to take the place of the one that is educated. And, my friend, Governor Cochran, your state is especially in that category. Especially so.

Now, we realized that within our state to the extent that we found, by a great number of studies, that a great number of our better trained boys and girls were going into the centers in our own state. So we asked ourselves the question, we who live in the country and were educating our children in the township: "Isn't it fair for that center of wealth, isn't it fair for that place that has a greater opportunity to turn out goods and clip off profits, isn't it fair for them to send back to us a part of the money they receive on account of their strategic location and the use of our boys, and send it back to educate another one?"

So we devised a means in our state whereby this coming year we will send to every unit of government, every school unit of government in Indiana, \$700 to pay on the teacher's salary.

Now, the State of Indiana is not directing all the policies of those schools simply because it is contributing \$700 per teacher. Our state, however, does have a state course of study, and it had that long before it contributed financially to the local schools. They did that because they felt that to have a uniform course would be more practical for children moving from place to place.

And it is my opinion that we should go a step further. We are collecting \$700 from the people on the basis of ability to pay, \$700 for payment on each teacher's sal-

ary. Then the local community pays the remainder. The only requirements are that they have eight months' school and that they pay on a teacher basis of one teacher for thirty-five grade pupils and one teacher for twenty-five high school pupils. They may have more teachers, but that is all they can get state aid for.

I believe that some system of financing or returning to the states on the basis of teachers or pupils, without taking away from the state any of its rights, could be devised, and I believe it would be just.

Indiana, Nebraska, Kansas, and even Missouri, have for seventy-five years been placing most of their insurance business and bond business in states outside of theirs. And now we find in our state that a great percentage of the chain store business is owned and controlled by those who do not live in the state, but they employ the boys and girls that we train and send the profits somewhere else to the great centers.

And as communication and travel become easier that will become greater, and whether we like it or whether we don't, ultimately we must, because a great democracy must be educated and they cannot be educated in spots, it must be universal, and they cannot educate, they cannot go on and have the schools equitably among these people unless they are financed equitably. And whether we believe it or whether we don't, and I would fight with Governor Johnston to keep control in my state, but we find in Indiana that financing from the state to the local unit does not necessarily take from the local unit its right to operate its school system. And I do not believe that financing part of education by the federal government would necessarily lead to taking from the state its control, because I think, in the first place, it would be impractical, as the governor said.

And we maintain a different course of study in the rural school than we do in the city school. We maintain a different course in the north of Indiana in the rural schools than we do in the southern end of Indiana. Conditions are different. We maintain a different course in the mining area of Indiana than we do in the industrial

area of the Calumet. And yet we have a state course of study, and we subsidize every teacher to the extent of \$700. It can be done, I believe it will be done, because I believe it must be done. That is the way I feel about it.

GOVERNOR COCHRAN: You are in favor of federal appropriations?

GOVERNOR TOWNSEND: Absolutely, yes, sir.

GOVERNOR COCHRAN: Mr. Chairman.

GOVERNOR STARK: Governor Cochran.

GOVERNOR COCHRAN: I have had a lot of experience with cooperating with the federal government, and I will preface my remarks by saying that it has extended over a period of more than twenty years, back ever since the Federal Aid Road law was passed. In more recent years I have experienced cooperating with the federal government in their activities, social security, and others. I believe that all of you who have had experience in cooperating with the federal government where a federal appropriation is made and an allocation made to the states, will agree with me that the rules and regulations are written not in your state, but they are written in Washington, and the state must abide by them in order to receive their allotment of federal aid. It is true as to highways, it is true as to these other activities; and certain it is to my mind that with a federal appropriation for education, it will carry with it, it is bound to carry with it, federal control to a very considerable extent. Our experience with these other activities is ample proof of that.

GOVERNOR ALLRED: May I ask a question? Don't you think that irrespective of what the statute might provide with reference to the right of the state to control its own policy, it would be an entering wedge for national regulation of education?

GOVERNOR COCHRAN: Absolutely, and carry with it, perhaps, a small degree of control just as our highway appropriation did in the early days, and gradually in-

creasing it to a point where it was mentioned here by one of the speakers here today, the federal government controls, to a considerable extent, the location of the highways, the type of construction, the type of maintenance,—in fact, everything that has to do with the construction and maintenance of a highway system. I believe Governor Blood will agree with that.

GOVERNOR ALLRED: May I ask you one question? Don't you think that in view of the large scope of the federal activity in which the states have participated, that the better governmental policy would be for the federal government to confine itself to those matters which are of national consequence and absolutely essential for the people as a whole, and not problems that are not absolutely essential to national welfare?

GOVERNOR COCHRAN: We must have federal aid for highways, otherwise we would have no connecting system. I think that the policy of building roads with federal aid has been a very fine one indeed, and is responsible for our inter-connecting system throughout the nation now, with all the advantages we have in our national system of highways.

And I think, too, the participation of the federal government with the land grant colleges in particular, in our state, in an agricultural program that is a national field, which is pest control, because there are no state lines as to that, is very fine. There are many features in connection with agriculture and in connection with the diseases of animals which are national in scope.

GOVERNOR TOWNSEND: I am interested about when an illiterate family comes over from another state and settles down and lives in my neighborhood, but I am just as much interested in that as I am when I start from another state and find a special road act.

GOVERNOR COCHRAN: I might say in explanation of our system of education, that after all, the proof of the pudding is in the eating. And Nebraska has never, during my recollection, rated more than fourth from the top in having the lowest percentage of illiteracy, and it has been second, it has been first. But

never more than fourth from the top. So that we cannot say that it is not a success with us; it has been and is a success.

GOVERNOR STARK: May we have some more discussion? Governor Barrows of Maine? We would like to hear from you, sir.

GOVERNOR BARROWS: Well, I have listened with a great deal of interest, especially on some of the subjects that have been presented here today. But I have refrained from making any personal observations because I realize that perhaps my political doctrine is a bit different than the majority of you gentlemen representing your respective states here.

I have felt for some little period of time that there was an increasing desire by the federal government to dominate that I did not subscribe to. I have seen that in a great many ways. On the matter of relief, particularly.

We have a rather unique problem in Maine, because of the fact that we have a lot of seasonal agricultural activity that we are largely dependent on what the development as seasons may be. Now, particularly in our potato region of Aroostook, which is a very large area, and the relief problem there for the last three years, because of low prices, has been increasingly difficult. And I think that is probably unique so far as Maine is concerned.

But we have had instances in the State of Maine where we felt without any question that we were better able to administer relief than we could from any central directional activity or policy that might come from the federal government.

So far as education is concerned, of course, that is more or less alive. And I have been very much interested in the observations of the governor from Indiana, because we have many peculiar problems, I believe. We have a great many municipalities in Maine that are unable to maintain even minimum educational opportunities. I have frequently said that constituted a challenge to any thinking citizen. We have a desire and we have

a determination to effect educational equalization through some method of taxation, but we would, I believe, oppose, as has been indicated here would be the thought of a great many of the governors, we would very much oppose an effort to centralize the control of the direction of the educational policies of Maine in Washington. We would like their cooperation, of course; but if that means the domination and the control, I very seriously doubt if Maine would be interested.

Now, these are, of course, more or less random observations, but for the first time that I have had an opportunity of attending a governors' conference they have been most interesting.

GOVERNOR STARK: Thank you very much, Governor Barrows.

We would like to hear from Governor Cone of Florida.

GOVERNOR CONE: Mr. Chairman and governors: I came up here to listen. Being a newcomer, of course, I was very little informed about these governors' conferences. I thought perhaps I could be like my friend from Indiana and get some education on the question. Not being in the educational line, of course, I am not as familiar with that as he is. But from the states' standpoint, I am opposed to governmental interference with our states in the management of their schools in any form. I hope, though, that I do not get my language mixed up like I heard once of an educated Chinaman that was sent over to this country by his government to take a position in the diplomatic corps.

They educated him absolutely thoroughly in English, sent him to a good many of the English and American universities, and he had studied the English language so he could handle his diplomatic position absolutely correct, even to the dotting of an "i" or crossing of a "t". And he thought he had it absolutely perfect until he got into Washington and got in a row with the station agent there about misplacing his travelling bag. And he got so incensed and so mad he decided to curse this fellow out. But with all of his English language he forgot to learn how to curse. He said, "He mighty damn seldom

put my bag, he no fly." He said, "He no fit to be station agent for Christ's sakes, I hope, amen." (Laughter.)

So I hope I do not get my meaning mixed up like he did. I believe in education. I live in a state that has a cosmopolitan population. We have people from every state in this Union who have settled in our state. We have them from all of the other states. They are making good citizens and we are getting along fine with them. They bring, of course, some of their ideas from every one of these states, and with our ideas and all these ideas we get very good ideas about our educational system.

Now, we have at this time, although we may be considered a poor little southern state, we have appropriated \$800 per unit to every teacher in the State of Florida from the state, and the units are very much smaller than the units mentioned by the governor of Indiana.

I think our high school units run about twelve to fifteen, and our others about twenty-five and not exceeding thirty, and we have appropriated \$800 per teacher unit.

As far as the State of Florida is concerned, we are getting on very nicely with our educational institutions. Of course, this depression was not caused by the states. Florida did not bring the depression, and Maine, Vermont, Indiana, Georgia and the Carolinas and Texas, they did not bring the depression. It was brought on in some way by the management of our national government, I don't know, but it was brought on.

We had one depression away back in the Roosevelt administration, during Teddy Roosevelt's administration. Then we had one they laid to Grover Cleveland. That was in the early nineties. And we had one here not long ago that we all still call the Hoover depression. That was started along about 1929 and lasted—part of it is still hanging on yet. But we are getting on fine with it.

The government has done a great deal for us and is still doing it. But I think of all the things in the world,

that our schools should stay out of politics, not only national, but state and every other kind. They should be locally controlled. They are free schools and local communities should govern them. Maybe not as to standards of study, which I believe should be state-wide, but I believe that each locality should control its own school. I do not believe religious or sectional prejudice should enter in our schools. If it does, if the national government has control or anything to say, sectional prejudice might enter in our schools. That would be one of the greatest wrongs I believe could be placed on our people, because you know this is a big country of ours, and when you get over in one part of the country they think differently than they do in another part. That is the reason we have state control and county control.

Some of our great states have sections. We have a number of them in our state. Our state is a long state: it extends from the Alabama line clean on down almost to my friend Governor Winship's country, Porto Rico, down in the Caribbean Sea. And when you go from one section of Florida to the other you find people whose ideas and habits and everything else are different. We find in some sections of Florida almost a northern atmosphere, and those people should have a say so about their schools.

I think if the government wants to do something for education, and they should, because it is a national affair, you have got to educate people to have a great government, they should donate their money,—if they are going to give it to us, just like we do in those counties, without any strings tied to it. And in that way we can run our schools as they should be.

Those are my sentiments about the educational system. I think it should be kept absolutely free from any religious or racial or even community or sectional prejudices, so a boy can have an education without any interference at all.

I have enjoyed this conference and I have learned a great deal, and I hope to attend every one during my term of office, and I hope to meet more of the governors

of these states and become better acquainted with them. And I want them all to get acquainted with Florida. I want you all to come down and see what kind of a state we have got, because if you do you will meet some of your neighbors. Wherever you go you will find neighbors from your own state, it won't be like going to a lot of other states.

I am glad to be here and I know I will obtain a lot of knowledge and a lot of facts by attending this great conference. I have listened to a great many things I did not know before, and I know it is going to be an education to me. This great system of education is nationwide and it should be discussed. We should go carefully into it. And I believe the more careful we are the better it is. But I believe as a general principle education is a state matter and should be confined to the states. Thank you.

GOVERNOR STARK: Governor Miller.

GOVERNOR MILLER: Mr. Chairman, I would like to say just a word along a line I think is totally different. It was brought to my mind by just a word that Governor Johnston uttered. He started to give us a thought but did not finish. He started to say something about the interest that we should have in the home with regard to the education of our children. And this entire subject of federal aid appeals to me as being woven into this general discussion we could enter into of how it affects us fundamentally at home. Governor Cochran spoke my language when he said that if you expect federal aid you must accept the rules and regulations laid down in Washington as to how that money will be expended. And we none of us here should let ourselves believe for a moment that if the government sets up a federal department of education and appropriates money to be allocated to the states that they won't lay down certain rules and regulations as to how that money shall be expended.

Now, I am not going to argue here as to whether or not that is a good thing to have the federal government lay down rules and regulations as to how its money shall

be expended, but I do wish to make this point, that in a democracy we want to keep things as clear at home as we can.

Now, in matters of education we have experienced, with the growth of this country, for one thing, the parent-teachers organizations. For one, I believe that our parent-teachers organizations have contributed a great deal to the betterment of educational facilities in this country. They have been formed of fathers and mothers who took an interest in what was going on in the schools. If we had a system of federal control of education, which we would have, let us not deceive ourselves, if the federal government is going to contribute money to the public schools of the country, we would have a very great lessening of that interest in our schools by the people in their homes. If we were educating our people by rule or regulation from Washington, just how much interest would these parent-teachers organizations take in those things at home?

Governor Cochran spoke of our federal aid system for highways. I agree with him that it has been a great thing for the building of highways in our country. We would not have had such a system as we now enjoy without it.

But I am making a point here and I will illustrate it by an example. Out in our country, we are building now, under the federal aid program, some secondary highways, some farm-to-market highways. Under that system the federal government contributed money for the building of the secondary highways and the Bureau of Public Roads tells us how they should be built.

Out in our state for a long time we did not have hard surface highways. We finally got around to graveling our main highways, and very soon we found there was such a tremendous loss every year of the surface material in crushed rock and in gravel, that it was going to pay us great returns if we would hard surface with oil and with asphalt. And so we proceeded with that program. Now, in the building of these secondary highways the Bureau of Public Roads specified we should place on

these highways so many inches of gravel surfacing. That gravel and stone began to wear off with the use of traffic and to blow away with our winds, and so we undertook a system of hard surfacing with asphalt on these secondary highways. Now, we had had a great deal of experience before that in the oil surfacing of our main highways and we knew a certain amount of traffic required a certain thickness of oil mat. But the Bureau of Roads came along and said to us, "You will have to put the same thickness of oil mat on these secondary highways as you applied to your main highways."

Now, we had done a great deal of experimenting and a great deal of research and we felt that a three-inch oil mat on a secondary highway was not required by the amount of traffic that would use that highway. But we were up against that rule and regulation of the Bureau of Public Roads which costs so much more money: a three-inch mat as compared to a one-inch mat, it means a difference of a great deal of money. Now, I use this as an illustration.

We felt from our experience and from what we knew of conditions in our state that a certain amount of surfacing on a secondary highway was sufficient, but the Bureau of Roads said, "You will put this amount of hard surface on that secondary highway or we will not participate in your program."

The point I am making is that, you will find that same kind of a situation in practically every form of federal aid in which you cooperate. Those rules and regulations are more or less adamant and do not always take into consideration the condition that may prevail in my state as compared to the conditions in the State of Delaware, and they are a great deal different, I assure you.

Now, I think this, that in certain things it is fundamental that we keep our problems at home and we work out and solve those programs at home. And I think that the education of our children is one of those things that we should keep at home and not vest in the federal government.

Now, then, just one more word, I do not want to talk too long, about this matter of keeping things at home. I think that there are affairs in which the federal government can participate to the end that we change our fundamental concept of things,—and I am speaking about relief right now because we talked about relief in this general program. We became mechanized. If we mechanize our education we will take away the interest of our people at home. And we have, to a great extent, mechanized relief. Is it a good thing?

What I am thinking about is this: before we had all of this federal relief how did we conduct our affairs with regard to the needs of our fellow men who found themselves unemployed, who found themselves in need of public care of some kind or other? We took care of them through local agencies. A great deal of our work in that way of what we now call relief was not a matter of public concern, but it was a matter of private concern, working through certain private agencies. We had our Community Chests, we had our local Red Cross agencies, we had among the women what they call Sunshine Societies, Help-One-Another Clubs, and things of that kind. And we contributed privately out of our own pockets to these private relief agencies.

Now, was it a good thing to have private relief agencies? Is it a good thing for public character to have a man or a woman taking a little interest in the needs and the hardships of his fellow men and fellow women? Those agencies of which I spoke, the Community Chest, Help-One-Another Clubs, and so forth, they were manned by the people of the local community; their committees, their individual workers went around and inquired into conditions in the home.

You have this biblical saying, "Am I my brother's keeper?" We are to an extent our brother's keeper. I, for one, believe it was building character for our people to inquire into and know at first hand some of the problems of their fellow men. I think it was a good thing in the building of character for a man or a woman or a community to go out and find out how many chil-

dren were hungry, how many bottles of milk it would take to provide the proper nourishment for those children in the schools. I believe it was a good thing for men and women to find out at first hand and not upon the federal payroll and state payroll, some family that needed this or that to clothe their children in order that those children might be sent to school.

And I just want to talk about that kind of a general situation that we are talking about, that are we doing the best thing for the people of America in their homes by too much mechanization of these things, which after all should hold their human interest.

GOVERNOR CROSS: I would like to ask one question: Aren't you doing that in Wyoming now? We are doing that in the East.

GOVERNOR MILLER: We are, and I think we are doing too much of it.

GOVERNOR CROSS: What are you going to do with a city like New York?

GOVERNOR MILLER: I say the City of New York has its own problems; but I would say we are giving too much of this problem to the federal government, and when we do that we are not doing a good thing for our people in their characters.

GOVERNOR STARK: Is there any more discussion on this matter?

There are a number of governors here who have not expressed themselves.

GOVERNOR McMULLEN: Governor Holt is alongside of me.

GOVERNOR STARK: Governor Holt.

GOVERNOR HOLT: Governor Stark, I assure you that Governor McMullen's suggestion was not at my insistence.

I am rather in the position of the other governors. I recall several terms which have been applied to new-

comers, particularly in the town in which I received my education down in Williamstown, Virginia. I think over at Virginia Military Institute they called them "rats." Over at Washington and Lee they called them "minks." I recall one of our old professors in French who called them neophytes. At any rate, that term was used to indicate one who was in the pursuit of knowledge rather than in its dissemination. So I feel I am occupying that position on this occasion: I came here not to impart knowledge but in an endeavor to gain some.

I regret I was not here to hear Governor Johnston's discussion of the school problem, so consequently I cannot discuss the matter he referred to particularly. I can say, however, in West Virginia we have what is ordinarily considered as a rather acute school problem, despite the fact that during the depression years we have had a nine months' full term of school in every county of the state. Should I discuss all of the conditions that led to that it would probably require more time than this occasion would permit.

As some of you probably have heard, in 1932, we adopted in West Virginia, what is commonly called "The Tax Limitation and Property Classification" amendment to our constitution. Whereas the average rates including state, county and school districts, and in some place municipal taxes, prior to 1933 were something around between \$2.60 and \$2.75 on \$100 valuation, we adopted an amendment to our constitution which classified property, and limited the levies on intangibles,—and ordinarily speaking the limit was placed at fifty cents on \$100 valuation; on farms and homes at one dollar on \$100 valuation, and on other properties outside of municipalities \$1.50, and on business properties, generally speaking, within municipalities, \$2.

I expect some of you can already see we ran into a rather complicated situation, the general result of which was that our property levies were reduced a little more than fifty per cent. at a time which represented the depth of the depression, so to speak,

Prior to that time we had our school districts, except for specially constituted school districts, represented by our magisterial districts ranging from three to ten magisterial districts in the fifty-five counties of the state. Our schools prior to 1933 were supported approximately ninety-five per cent. direct from the direct property levies. When the direct property levies were reduced so materially it became necessary for the state to participate very heavily for the support of our schools, and that led to the appropriation of, I believe, in 1933, ten and one-half million dollars from the state treasury. And for the bi-ennium that is now current, which includes 1937-1938 and 1938-1939, our appropriation, apart from what is called our school fund, is \$13,750,000, which means that from the state treasury we are paying considerably more than fifty per cent. of the cost of our public school system.

I might say that I believe that the discussion which I have heard on this occasion rather leads into a broader field of whether or not the federal government is best constituted to collect taxes or whether the state government is best constituted to collect taxes. That is a rather important question in West Virginia because our principal activities, of course, are the production of coal, apart from our agricultural and live stock activities. And we have in West Virginia a great deal of out of state capital, suitable taxation of which cannot be assessed very readily.

However, when I was in the session this morning I heard several references, none too complimentary in most instances, to the general sales tax and to a personal net income tax. We have both in West Virginia and are not having much trouble with them. There was quite a mental hazard back in 1934 when we adopted the general sales tax, which we call the "Consumer's Sales Tax." However, after the system was put into effect it seemed that mental hazard rather passed away and it is not by any means an unpopular tax at this time.

The thirteen and three-quarter millions of dollars which we appropriated from general revenues from the state treasury for distribution among the several counties which

now constitute our school districts as distinguished from several magisterial districts which previously constituted our school districts, between seven and eight million dollars are obtained from a two per cent. general sales tax which we call a "Consumer's Sales Tax."

We, of course, have encountered some difficulties in the distribution of our state aid. We pay what are called "basic" teachers' salaries for at least eight months. Our basic teachers' salaries are graduated upon the character or degree of certificate which the various teachers hold. That, of course, introduces an element of uncertainty in the amounts that are pro-rated to the several counties now constituting the school districts, because each year there is a variable number of teachers who receive certificates in a higher grade, and that increases the amount the state is called upon to pay out.

Just at this time we have what some of you have referred to as a legislative council. We call it a legislative interim committee, in an effort to work out some plan by which we may return to some counties, as soon as may be possible, a sum certain and turn that over to the county boards of education and say, "Here is the money you receive from the state. You have your local revenue. Now, take that money and run your schools."

Several problems were introduced. One is that of the building problem. We have appropriated from the state no moneys particularly for a building program, despite the fact that when the county became a unit instead of a magisterial district, our schools were placed on a program of consolidation, so to speak, it became apparent the needs for new buildings became rather stringent. We have not appropriated any money from the state to construct new school buildings. And if my views maintain, I doubt very seriously if we will.

Despite the fact there is a tendency on the part of local boards to utilize some of the money appropriated either from the local fund or from the fund of the state, to construct new buildings, if the practice be engaged in within a reasonable limitation there isn't any particular detriment which will result. But it is a very serious problem with our local revenues,

And, as I have indicated previously, prior to 1933 our school problems were essentially local in the magisterial districts.

When the state began to appropriate more than fifty per cent. of the sum necessary to maintain the schools we encountered quite a problem from the various boards of education who were by way of making a showing that they could operate without additional moneys, had a tendency to be rather liberal in the expenditure of their moneys or to expend them for purposes which might not be basically necessary. So we have quite a problem on our hands in that connection. And we also do not have any fund at the present time for adjusting the school requirements to the needs of the respective communities.

We have some municipal areas in which the living costs, of course, are higher than in the rural areas and we have no basis upon which discrimination or discretion may be used in distributing our state funds for those purposes.

The State of West Virginia, of course, carries a much larger portion of the tax burden than was carried prior to 1933. That tends in some instances to encourage liberality in expenditure by local authorities, and, at the same time, a failure to fully utilize their own local means. We have control of it in so far as the application of the taxable rates are concerned, but we do not have any very effective control in so far as the valuations are concerned. So we have met a difficulty there, and the state has been called upon to appropriate a little more each year, while yields from local revenues have been diminished somewhat.

That, no doubt, would be the problem that would be confronted by the federal government if it went into the field of supplying the fiscal needs of educational purposes in the several states. However, I am still inclined to believe that it goes back to a problem a little broader than the educational field alone. I am sure most of you have read in the press or heard discussed the problem of whether or not it would be feasible to pass over to the federal government the burden of collecting taxes, and

to the state governments the pleasure, if you might term it such, of spending the proceeds of that collection. A great deal might be said in favor of that method, in that the federal government undoubtedly occupies a favorable position for the collection of taxes.

On the other hand, I think we lose a great deal of the benefits of the principles of self-government when we remove from the individuals of our local communities and from the individuals of our states that sense of responsibility of participating in our governmental affairs which, of course, is inherent in every republic and in every democracy. I think that something larger is involved than the mere pecuniary values. In other words, if we did not impress upon our people not only in West Virginia, but throughout all our states, the fact that they carry a very great responsibility as citizens of a popular republican or democratic government, whichever we may term it, if we do not impress upon them the fact they carry the responsibility not only financially but the responsibility of planning and the responsibility of directing their governmental affairs, I feel we are taking a step backwards in the field of popular democratic government, because unless there is that individual democratic responsibility and a proper sense of appreciation of that responsibility, the natural tendency is to "let George do it," so to speak. And if we "let George do it" in an excessive degree, we will very shortly have passed from that period when all of the people of this great republic were charged with responsibility and felt the responsibility of directing the governmental affairs of this nation and of the several states which have meant so much in the preservation of their liberties and in their advancement and their progress, that the several generations and more than a century of very fine history of this nation and of most of the states that comprise it at this time.

If any of you gentlemen are more interested in the subject of tax limitation and property classification, inasmuch as I was attorney general of the State of West Virginia when that measure came into being, I will be very glad to discuss it with you who are interested rather

than to take the time of those who are assembled on this occasion, many of whom are not, perhaps, interested in that very intricate problem. Thank you. (Applause.)

GOVERNOR STARK: Gentlemen, just a moment. We have some announcements which we would like to make now, if you please.

Is there any more discussion on this phase of the matter?

GOVERNOR McMULLEN: Mr. Chairman, I would feel disappointed if I left this meeting without getting rid of a thought in my mind. There has been a connection between building roads, federal domination in building roads, and federal domination in building the thought of our youth. There is quite a difference, quite a difference between the two, and I do not think we ought to go out of here with the thought that there is any connection between the two.

There is quite an objection on the part of each and every one of us to the domination of any authority in directing the thought of our youth of each of the various states.

A statement made by Governor Cone of Florida was very interesting to all of us, and that is, what caused the depression. I am quite sure that is a question that has been in the mind of the public of the United States for quite a few years now.

But coming from a state in which there was not a bank closed due to the loss of value of collateral, and not a run on a single bank in the state, probably something might be said along this line, that we as a whole in the United States are responsible. Every man that borrowed ten per cent. on the dollar to buy a share of stock, and there were many who did so, every man that made a run on his own bank thinking to get ahead of his neighbor is partly responsible. Those of us who gambled, and we all did, we all do, if there is an innocent man here he is an exception, whether you paid outright for your stock, you gambled. If you bought it on margin, you gambled. If you sold a bond at twice

its value you gambled. And the banker who loaned money for poor value gambled. And those are the things that I think that we as the population of the United States should guard against in the future. Overvaluation of anything you have got. One man is as guilty as another when it comes to asking two prices, three prices, or four prices for what he paid for. That is all I have to say on that subject.

GOVERNOR STARK: If it is your pleasure, we will now have the announcements.

GOVERNOR HARDEE: Mr. Chairman, Governor Hoffman asked me to make certain announcements as to the plans for the evening.

At seven-thirty in the Fountain Room on the first floor, hors-d'oeuvres and refreshments will be served. Dinner is at eight in the main dining room on the first floor.

May I also call your attention to the committees that were appointed this morning: the Auditing Committee is Governor Nice, Governor Cone, Governor Hoey. I see two of the committee here. It would be a very good time for them to get together and audit Governor Wilson's report.

Then there is the Resolution Committee, which is made up of Governors Allred, chairman, Winship, Peery, Stark and Cross. That is five.

Now, one other announcement. You know it has been frequently said that the governors' conference does not get as much publicity as it should; that we meet and discuss subjects and we do not see headlines following our meeting. Well, there is an element of truth in that as a fact. However, we could get all the publicity that anyone could expect, we could get headlines, if the governors were given to saying erratic things which would be emphasized to the detriment of themselves and maybe to the conference. We could get headlines, too, if we discussed highly controversial partisan matters, which I think have no place in a governors' conference composed of members of different political parties.

But we do have an opportunity just now for some publicity that I think is rather wholesome. "Life" magazine has a representative here and they want a picture of all of the governors, and they want that picture taken down on the boardwalk at the entrance of the hotel. Now, if all of you governors will go down there promptly their representative will take this picture, and if it looks good enough, I expect you will see it produced in "Life." So I hope you will do that.

Immediately following, I think the Resolutions Committee ought to get together down there in a corner or in one of your rooms or in a corner of the lobby.

GOVERNOR ALLRED: If it is just as acceptable, why can't we meet in the morning a little early?

GOVERNOR HARDEE: The program calls for a general session here at ten o'clock.

GOVERNOR ALLRED: We could meet at nine-thirty in the morning, as far as I am concerned, much more conveniently than this evening. We could meet here at nine-thirty in the morning.

GOVERNOR HARDEE: Your committee is Allred, Winship, Peery, Stark and Cross.

GOVERNOR ALLRED: Is that agreeable, gentlemen?

All right, nine-thirty, and please let us be prompt.

GOVERNOR CROSS: You do not need a half hour for these resolutions. We will say ten o'clock.

GOVERNOR ALLRED: We will say nine-thirty.

GOVERNOR CROSS: But we do not begin at ten o'clock.

GOVERNOR HARDEE: Governor, we are going to commence in the morning better than we did this morning.

GOVERNOR ALLRED: In deference to the youngest governor, I will amend that to nine forty-five in the morning.

GOVERNOR CROSS: Have you got the resolutions?

GOVERNOR HARDEE: No.

GOVERNOR CROSS: Who has the resolutions?

GOVERNOR GRAVES: That is what you are going to meet for.

GOVERNOR CROSS: I know, but who has got them?

GOVERNOR HARDEE: Governor, the only resolution that I assume the Resolutions Committee will talk about, is the resolution that you proposed this morning, but you did not have it in writing. I am sure you would not mind dictating it to the reporter and let him have it in the morning.

(At this time the conference adjourned to September 15, 1937, at ten a. m.)

Governor Blood
Presiding

**Morning Session,
September 15, 1937**

GOVERNOR PEERY: The conference will please be in order. Governor Henry H. Blood of Utah will be your presiding officer. I am glad to yield to Governor Blood.

GOVERNOR HENRY H. BLOOD: Mr. President, ladies and gentlemen: It is a very great pleasure this morning for me to stand before you for just a moment to express the pleasure it is to have met again so many of the governors of the states as have assembled here this morning. I presume I have come further than anyone else to attend this meeting. My friend from Wyoming came nearly as far, and I shall have the privilege of introducing him in a moment. Only a mere four hundred miles difference, and that means nothing in the West.

My other good friend and former associate in highway matters, Governor Cochran, comes about a thousand miles shorter distance, which again means nothing when you get across the Mississippi River. And others have come long distances. But all of us, I am sure, have already been amply repaid for the effort and time and distance we have travelled.

And when I speak of distance I do not wish it to be understood that the world is very large. After all, I thought of that yesterday afternoon when we were holding a session under the chairmanship of the esteemed governor of the State of Missouri, Governor Lloyd C. Stark. Things happen in this life that make it seem as if we are a rather small world. And I sat on the front seat yesterday and listened to his able handling of the meeting and recalled that quite a long number of years

ago—it is better not to get back to dates—I transacted some business in a small way with his company. So when I saw him here for the first time and met him yesterday for the first time I remembered that business transaction with the Stark Brothers of Missouri. You know, he chose a branch of the earliest vocation known with which to devote his time in life, because as I remember, when things started in this world the first couple were planted in the garden and told to take care of the trees and fruit and whatever was there, and proceeded to do so. Now, just what happened about that time I am not sure as to whether it was that apple or some other fruit that caused the trouble in Eden, but I am dead sure if it was a Stark Brothers delicious apple Adam is not to be blamed, because when Stark Brothers put out that splendid fruit which has become known nation-wide, they gave a good account of themselves, of their state, and they added to the pleasure of life for all of us who know the article that they have given to the world.

But that was not just what caused me to think how small the world was, because I remembered when that had become nation-wide known, this same firm wanted to find another kind of fruit that they could make as famous as they made that apple, and they wanted to get the best peach that the world had ever known. So they came out to not only my own state to find it, and not only to my own county to find it, but to my home town, and they purchased the right to propagate and make famous the peach that saw the light of day first and was developed within half a mile of where I was born. And, incidentally, propagated by my family doctor, who was versatile enough to be a nursery man as well as a fine physician.

I am not advertising Stark Brothers nor the fruits they are sending out, but the best peach known today is that peach. (Laughter.)

Now, gentlemen, that is a long enough speech for any presiding officer. I am just relating the things that ran through my mind yesterday to show how small the world is, because when I shook hands with the governor

yesterday it was the first time I met anyone from that nursery business.

I was most happy yesterday to listen to the fine discussions I heard all through the day, and I am sure I voice the sentiments of all here, both ladies and gentlemen, when I say that the tone of what we heard was high, the discussions were able, and I am confident that the results will be good.

We have an opportunity again today of listening to some very able gentlemen who are on the program, and I do not want to take another minute, because some whispering I heard last night said we want to get started on time and get through. At that moment I found that this gavel would fall at exactly ten o'clock this morning, and I was here prepared to manipulate it at that moment. But those who were whispering around me yesterday somewhat of a complaint because the meetings did not get under way just on time, came in here at twenty, thirty and forty minutes late. I can attribute it to but one thing, and that is that Governor Hoffman and his committee did altogether too good a job last night. They simply put on a show that we could not resist, any of us. And I stood it as long as the good governor did, and when he and Mrs. Hoffman left I thought it was time for me to go. And so I got part of a night's sleep and was able to get here at ten o'clock. You can tell what I think of the rest of you that did not get here on time. (Laughter.)

Ladies and gentlemen, without further preliminary I want to present the first speaker, a man I have known for a good number of years now because we have been fellows in misfortune during the period of difficulty—I have cut out the word "depression." We have tried to guide the destinies of the states that adjoin each other out West: Utah and Wyoming. I have had most happy relations with my good friend, Governor Leslie A. Miller, of Wyoming, who is to discuss with you this morning the important developments in establishment of permanent organization for cooperation through the Council of State Governments.

May I present Governor Miller. (Applause.)

Governor Miller

State Cooperation Through Council of State Governments

GOVERNOR LESLIE A. MILLER: Mr. Chairman, fellow governors:

When Governor Blood was making a few remarks about distance I did not look around, but I rather thought if I had that Governor Allred would have smiled a little bit, because when anybody from another state talks about magnificent distances in the presence of a Texan, that latter gentleman knows that the other man does not know as much as he knows about it.

I had an experience last fall. I went down there to see Governor Allred and his exposition at Dallas, and we drove into Amarillo from Colorado one evening, stayed there overnight, and the next morning drove all day getting to Dallas. When we left Dallas we arose about half-past four in the morning, got started about five, and had breakfast over in Fort Worth, and drove all day on a road that I thought simply did not have a single curve in it, over seven hundred miles to El Paso, and we were still in the State of Texas. So that state has distances that most of the other states know nothing about.

I was telling our good friend the governor of Delaware about a happening out in the State of Wyoming a number of years ago, when the United States senator from his state came out to Wyoming. He happened to be at the time chairman of the Senatorial Campaign Committee and was out looking over the prospects of the candidates of his party. And I was detailed to meet him at the train and take him to the hotel and get him established. He asked me to go up to his room while he washed up a little bit, which I did, and he began asking me questions.

He said, "Where is Kendrick?"

I said, "Kendrick is that little town near Pinedale where you are making a speech tonight."

"Where is Pinedale?"

"Well, Pinedale is a little town out of Rock Springs, about one hundred and ten miles off the railroad."

Well, this man was just pulling his shirt over his head, the old-fashioned kind that you pull over your head. He stopped when I said that, stuck his head out of the little opening in this stiff bosom and said, "My God, a man could not get a hundred and ten miles off the railroad in the country where I come from." (Laughter.)

On that same trip that I made down through Texas—Governor Hoffman in his welcoming remarks yesterday reminded me to tell you this. Governor Hoffman said something about the standing that some governors have in the eyes of some of our people, and I took it that he felt sometimes we are not just quite as popular as we might be. This instance occurred to me after having heard him say that.

I was in a certain state and our university football team was putting on a game with the university of this other state, the name of which I won't mention for obvious reasons. But the president of the university down there came to me immediately after I arrived in his town and told me that they would like to have me say a few words of greeting to the people of that state between halves at the football game, and he would have the governor of that state there and he would address a few words of greeting to the people of our state. And I accepted. And with that arrangement I did not go down to pay my respects upon my fellow governor. I thought I could do my visiting with him out there at the football game. I was only going to be there overnight, anyway. So I went out. And by the time the first half rolled by I was on quite a spot to make any kind of a speech, because what this other team was doing to our team was just too bad. The score was so one-sided it was pitiful. In any case, I was called to the microphone. This other

governor, for some reason never explained, did not show up. He never did put in an appearance.

So I did the best I could. But the next morning we were at the breakfast table and we were discussing this with my family. I had gone over to eat Thanksgiving dinner with my younger sister whom I had not been with in a number of years, and she had a twelve year old boy, my nephew, who sat there at the table at my left and was very interested in everything that was going on,—a great big freckle-faced boy.

Well, I said that I rather thought this particular governor was not very apt at public addresses, he was not very good on his feet, as some of us happen to be—I mean some of us happen not to be.

And I told this story that probably every governor here has heard, because it is a story that is a chestnut among this kind of company. But I will have to repeat it to tell you what reaction this young nephew of mine got. I told about that governor who early in his career made his first visit to the state penitentiary, and the warden of the institution thought it would be a nice thing if he had the governor say a few words to his charges there. And he herded them all into the dining room and stood the governor up by him and introduced him. Well, the governor did not have anything to say. And he was one of those fellows who could not say it anyway, and he was quite at a loss. And he started off saying, "Ladies and gentlemen"—

And, of course, it immediately occurred to him that was not the thing to say there. He backed up and started over. He said, "Fellow citizens"—

And from the smiles that chased themselves across the faces of his listeners he knew that was wrong too. And it entirely robbed him of his self control. And he just stumbled around and uttered a few remarks that did not mean anything, and finally said, in his embarrassment, "Well, I am glad to see you all here," and sat down. (Laughter.)

Well, this young nephew of mine who, as I say, was watching very intently, he was looking at me as I told

this, looked up at me and said, "Uncle Les, what would you have said, 'Fellow crooks'?" (Laughter.)

In discussing the subject of interstate cooperation, it is clear there are so many problems common to all state governments it would be impossible to encompass them within the limits of a paper which could be read to this conference. Accordingly, I will mention only a few which seem to be outstanding and to which attention could be given by any organization designed to bring about a better understanding through the detailing of information to those in executive authority in the several states of the Union.

For a number of years the American Bar Association has sponsored the work of a Committee on Uniform Laws. Unquestionably, this Committee has made many notable suggestions, but actual accomplishments have been both slow and meagre. I believe some of the inertia is due to the fact that very seldom are the Commissioners on Uniform laws from the states members of the legislatures. It has been my observation that law-making bodies are frequently jealous of their prerogatives and proposed acts fare better if they originate with members of, or with committees designated by, the legislative body. Uniform acts are quite often very long and if there are no members of the legislature thoroughly acquainted with the objectives sought, the membership generally is apt to be a little impatient over its inability to secure a proper perception of the merits of the proposals; consequently, all too often the measures suggested receive scant consideration, if any at all.

The Council of State Governments, of which I shall speak later, would appear to be an agency, comprised as it is largely of members of the legislatures of the several states, which could bring about a more widespread appreciation of the benefits to be derived from the enactment of uniform laws, and, for one, I hope such will prove to be the case.

Many of you have had experience with the difficulties presented to parole authorities in the matter of requests for paroles of inmates of penal institutions to locations in

other states. Frequently we are led to doubt the wisdom of granting paroles where the subsequent habitats of parolees would be outside our jurisdictions. The making of agreements among the states whereby a system of interchange of information and of supervision could be brought about would surely result in a very considerable reduction in second offenses. This is a form of interstate cooperation much to be desired and I think it presents a question which could be examined into with profit in open forum at this conference.

The Council of State Governments has initiated through its Crime Commission a movement to bring into action compacts among the states which would govern the handling of paroles. A meeting is being held in Kansas City later this month of the Crime Commissioners of a number of the states and doubtless several compacts will be agreed to at that time.

At this point a word might be said with regard to the prison labor problem. As many of you know, by reason of the outlawing of prison-made goods in ordinary commerce, authorities have been faced with acute problems in the direction of the maintenance of prison morale. One remedy seems to be more or less logical and this is in the line of the exchange between the states of prison-made goods and commodities exclusively for use in tax-supported institutions. This plan is working out in some cases where experiments have been undertaken; for example, the State of Wyoming recently installed wool working machinery at its State Penitentiary and the manufacture of blankets, small rugs, etc., for institutional use has been undertaken. The State of Nebraska has in operation in one of its penal institutions a plant for the making of license plates for automobiles. Wyoming is now exchanging blankets for such plates and apparently the arrangement is going to work out quite satisfactorily. The possibilities for exchanges among the states in general are numerous and I hope that this, also, can be made a matter for discussion here. The Council of State Governments could be made a very useful agency to assemble and disseminate information with regard to articles and commodities manufactured in the

penal and charitable institutions of the several states and to approach in advance some of the problems connected with exchanges of such a nature.

From year to year it becomes increasingly apparent that the states must cooperate in matters having to do with traffic rules and regulations. The great growth in the number of trucks and buses operating interstate has created very serious problems because of the lack of uniformity in the laws governing such transportation facilities, as all of you are aware. In a period of only a few hours a high-speed truck can cross the borders of three or four states, and the driver in most instances would find himself subject to as many different laws as the number of state borders he would traverse. This is both confusing and inefficient. Uniform laws controlling the operation of commercial motor vehicles should be worked out within the shortest possible period of time.

One of the most difficult questions we are called upon to contemplate has to do with the collection of the gasoline tax. Most of the gasoline consumed in the United States moves in bulk interstate. The differing laws and rates of tax on gasoline have been a source productive of much evasion and consequent loss of revenues. Proposals have been advanced from time to time that the federal government undertake the collection of all gasoline taxes at the plants of manufacture, but this has been found to be impractical for one impelling reason or another. It would be salutary, however, to have a central agency which could design a system of interchange of information between state gasoline tax collecting officials. A great deal of tax evasion on gasoline has been made possible through the increased use of truck transportation. The State of Kansas maintains so-called "ports of entry." If all gasoline moving by truck out of Kansas could be required to pass over the state line only through these "ports" and report could be made to the authorities of the state into which the gasoline is moving, much of the evasion could be checked and stopped. Kansas could, of course, ask some reciprocation in return for the information thus furnished and this is a problem a central agency, working in harmony with the state

governments over the nation, could possibly study out to advantage to all concerned.

I have mentioned the gasoline tax, but there are several other specific taxes which present similar problems to all the states. We have overlapping and duplicate taxes of various kinds, but to date we have not created a source of information which would advise the different taxing authorities as to how to deal with the several questions arising from this confusing fact. There are many who believe that the federal government should preempt one field of taxation, as, for example, the income tax, and leave other forms of taxation, perhaps the sales tax, exclusively to the states. Time will not permit of our going into a discussion of such proposals in this paper, but I mention this by way of making the point that interstate cooperation is a study of the possibilities of uniform laws which would eliminate many of the overlapping and duplications and would be helpful both to the state and to the taxpayers.

Taxpayers and taxing authorities everywhere are concerned over the growing costs of government. Public debts are at abnormally high levels and there is arising an insistent demand that the problems these expenditures and debts are creating be vigorously attacked. A coordinating agency, having available to it the experience in all the states of tried and proven methods of cutting costs, of more efficient systems of financing, of the combining of activities, and the elimination of duplications in the many fields of governmental endeavor, could be of outstanding assistance in offering information and suggesting changes to those states and their subdivisions which need help in solving their financial problems.

The changing order of the day in which we find a new concept with regard to social problems as evidenced by the enactment of the Federal Social Security Act has been, and will for some time continue to be, productive of new problems for the states. The Council of State Governments can be of much assistance to the several commonwealths of the Union in bringing about the necessary exchange of information in the early stages of

the application of such laws and I am hopeful the Council will make this a major activity.

Most of you are fully as conversant with the origin and objectives of the recently formed Council of State Governments as I am, and accordingly there is no necessity for me to dwell at length thereon. My understanding is that some thirty-five states have now enacted statutes setting up Commissions and so we have reason to believe that the interstate cooperation so patently needed will proceed along organized and well-directed lines. Already we have concrete accomplishments to which attention may be directed; for one, the Interstate Commission on Crime. Several of you are familiar with the Interstate Commission on the Delaware River Basin participated in by New Jersey, New York, Pennsylvania, and Delaware; also, the Commission on the Ohio Basin. Both of these will unquestionably do a very worthwhile work in behalf of the states in those regions interested in the interstate streams involved. The benefits which could result from a proper control of these streams in matters concerning floods, pollution, restoration of fish resources, etc., are almost beyond measure. Other activities have been launched, but time will not permit of our going into detail. The opportunities open to the Council of State Governments are many. That it can be made a most useful agency cannot be doubted, but it will require the continuing support of legislatures and state officials. I solicit for the organization your sympathetic assistance.

As indicated at the outset, a paper on interstate cooperation could be made quite long indeed, but I do not wish to impose upon the time which can profitably be used in a discussion from the floor on several of the points touched upon. I trust we shall have time to go into some of the matters mentioned in detail. (Applause.)

GOVERNOR BLOOD: The subject of discussion opened by the Governor of Wyoming is one we shall want to enter into more fully sometime during this session. But inasmuch as the next three topics are in a way

subdivisions of the matter discussed by the last speaker, it will probably be well, if the members feel as I do, to defer the round-table discussion of these matters until all four speakers have been heard. If I hear no objection, that rule will be followed,—not wishing to shut off any particular question you want to ask of any speaker at any time.

If that is acceptable, I next have the pleasant duty of presenting to you our host governor. I cannot do it without expressing for myself, and I am sure for all of you, in this somewhat public way, our appreciation for the splendid arrangements that have been made for this convention and which are in the way of being carried out even beyond anyone's expectation. From the moment we stepped from the train and were greeted by the governor's own musical organization, from the moment that organization struck up, in many cases, I believe, a tune familiar to the governor alighting from the train because it happened to be his own state song, if they could get it, from then on we have just been treated as if we amounted to something. It is fine to come out of one's own state and receive such a welcome as we have received in the great State of New Jersey. And the governor, incidentally, if he will permit me to say so, is a very busy man.

And when he was invited by our very good friend, Mr. George Stringfellow, of the Edison Company, to come out to Salt Lake City the other day, he decided all the time he could spend away from his office was one day. So he closed his office at six o'clock—I don't know how he does that—if any of you know how to do that regularly I would like to find it out while I am here and I think I would go back with something worth while.

But the governor closed his office at six o'clock, sat in an airplane, and the next morning was met in Salt Lake City at four-forty-five; spent the entire day there; back on the plane after a splendid day for us, because we out there heard the governor at his best. Took the plane again at six o'clock, and next morning was back here ready for business. Crossed the continent nearly both

ways and missed but one day from business. But that is the governor's way, he takes no time out.

Without further remarks from me, because someone else will have to put in language the appreciation we feel to the governor, I am merely trying to express that we have just been overwhelmed with kindness, I present to you our host governor who will speak on the topic "Delaware Basin and Related Subjects." (Applause.)

Governor Hoffman

Delaware Basin And Related Subjects

GOVERNOR HAROLD G. HOFFMAN: Gentlemen of the conference, it will take me a minute or two to recover from that very kindly introduction. I have not been quite used to that in the State of New Jersey.

As I mentioned sometime ago I went out to Cleveland and there I met a lot of people from various parts of the country. I met one lady, a dear old soul from the state of Ohio, who said, "Governor, I have heard and read a lot about you."

I said, "Well, you cannot prove it."

She said, "I don't know what you mean by that, Governor. I was in your state and spent the summer of 1934 at Asbury Park. I knew you were going to be elected because you had more billboards than any other candidate. I even remember what the slogan was. It said, 'Young, vicious and progressive.'"

I explained to her that the slogan, which had been developed by an over-enthusiastic press agent, was merely "Young, vigorous and progressive."

I told her she must have been reading some of the New Jersey newspapers. She said I must have misinterpreted these editorials, she was sure the newspapers of my own state would agree with the policies of their own governor.

I told her I might be mistaken, I might have been somewhat in the position of Maxie Baer. You recall that during his fight with Joe Louis in the first two rounds, and for that matter the entire fight, he was taking what is known in the boxing vernacular as "a terrific shel-lacking."

At the end of the second round they slid the stool under him and started to sponge him off, fan him with a towel, and Maxie's manager, Ancil Hoffman, trying to encourage Maxie, called to Maxie, "You are doing fine. He never touched you."

Maxie rubbed blood out of his eye and said, "Keep your eye on the referee, because somebody is knocking hell out of me." (Laughter.)

First I want to make a few announcements about the program of the day. As you all know we are to have luncheon,—the ladies, too. The luncheon will be in the Patio del Sol, just off the main lobby. It is outdoors and we have provided the sun for you today.

Mr. Bernarr MacFadden, the publisher, has asked if he might be host at this particular luncheon. I am sure a number of you know Mr. MacFadden, who is a resident of New Jersey. He started out in life as a physical culturist, which, as I understand, is about as near to the practice of nudism as you could get in the old days of 1915 or 1916. But it might have been an interesting thing, because I have often said that is one organization that all politicians might profitably join. Every politician should be a nudist, because you cannot pin anything on a nudist. (Laughter.)

After the luncheon, of course, we have our afternoon business session. And then at five o'clock we are going to have a rolling chair parade down to the Convention Hall. We want you to see this Convention Hall, and at the same time to accept the invitation of the American Hospital Association in session there and to see the wonderful exhibit. It is my understanding that someone from each of the states is in attendance at the American Hospital Association, and they will come here to act as an escort for the governor of their state. We are going down at five o'clock and we hope you will all assemble on the boardwalk at that time.

Then this evening we have our dinner. Cocktails at seven-thirty, and dinner in the main ballroom. We really think that the program for this evening has been very

well planned and that you will enjoy this dinner very much.

Last night we all had big badges saying we were the big bosses of the respective states. I have made myself the big boss of this affair tonight. No governor can talk more than two minutes—we might make it three. Governor Peery, we will make a special concession: you can talk three minutes tonight. But there are so many and we planned for a little humorous talk by Julius Tannen and some songs by Lucille Manners,—I am sure you have heard Miss Manners on the radio. She is a New Jersey girl and we are very proud of her. And we think you will enjoy the dinner.

If any of the governors brought along hardboiled shirts they are to wear them tonight. If they haven't, it is all right.

The subject that has been assigned to me this morning is rather dry, although it is rather hard to convey that water might provide a dry subject.

I know that this particular topic will not have at least any local interest for many of the governors, but I want to tell you what has been done through the Interstate Commission for the Delaware River Basin, we call it "Interdel,"—and what we have accomplished through the medium of interstate cooperation. Water is a dry subject, but very important.

I think Emerson said,

"Pure water is the best of gifts that man to man
can bring,

"But who am I that I should have the best of any-
thing?

"Let princes revel at the pump, let peers with ponds
make free,

"Whiskey, or wine, or even beer is good enough
for me."

I think possibly some of the governors might subscribe to that. I am still having a hard time trying to figure

out these governors of North Carolina and South Carolina. (Laughter.)

The statement they made to me the other day I have not as yet been able to disprove, and that is, that they are both teetotalers.

As you can imagine, water is very important to us in the State of New Jersey. I understand in the very early days the people, particularly in coastal sections lived upon the proceeds of the sea. We have one section in New Jersey I must tell you about. I attended the 250th Anniversary at Manasquan which was once a little fishing village. At that time someone said that in the early days, as far as they could find from historical records, the natives lived largely through the things that came from the sea, and that the prayer of that time was, "God bless mama, God bless papa, God bless poor sinners like me, and send a good ship ashore before morning." (Laughter.)

We like to think that we have gotten away from some of those earlier habits of our people along the shore.

Thus far, during this conference, it has been New Jersey's part to see that your wants have been supplied and that you have been comfortable. Now, the program makers decree that I present to you some of the problems that involve the interests and well-being of the State of New Jersey and our neighboring States of New York, Pennsylvania and Delaware as they appear in the Delaware River Basin.

I should like to say, in passing, that these states are not without experience in cooperative enterprise. You are familiar, perhaps, with the great public utilities already built by joint action of New Jersey and New York through the instrument of the Port Authority and the Philadelphia-Camden Bridge by the Delaware Bridge Commission, a similar joint enterprise. We likewise maintain the Palisade Park System in cooperation with New York State and have freed all of the old toll bridges, and rebuilt old structures from the Water Gap to Trenton through the New Jersey-Pennsylvania Toll Bridge Commission. I should like to say also it is my

conviction that this relatively new movement toward interstate cooperation is yet in its swaddling clothes.

Interstate cooperation offers, it seems to me, the only rational and effective solution of a number of other problems which may not be handled or controlled within geographical lines. Some of these are the capture and punishment of criminals, taxation, transportation, traffic, safety and the like.

To those of you whom geography has exempted from or denied a vital river valley, this discussion may appear dull and unimportant. Those of you who have similar or comparable problems will recognize, perhaps, in our fumbling toward an effective and equitable solution the shadows of your own experiments and failures. To us of these four states which share in the territory and the economic life of this "Kingdom of the Delaware" these problems of control and distribution and use of the waters of this river are alive with ever increasing interest and significance.

The Delaware River shared with the Hudson the interest of the explorers and early settlers. Its waters furnished the highway to favorable settlements and the history of this whole area ebbed and flowed with its tide. As we have grown nationally the importance of this drainage area has increased rather than diminished. Today it remains a great empire of population and industry,—a most important part of the economic life of the nation.

Three hundred and thirty years ago, late in August, Hendrick Hudson sailed his Half-Moon into Delaware Bay but fearing the waters were too shallow for his ship he made no attempt to land and turned back. Later, courageous pioneers in this strange new world did sail up the Delaware and described the river and its banks as a wonderland of opportunity and romance. Compius Holm, a liar of high merit, recorded that the streams in New Jersey were alive with whales, sharks, sea spiders, tarm-fisks, and the shores "with a large and horrible serpent, which is called a rattle snake, which has a head like that of a dog and can bite off a man's

leg as if it had been hewn down with an axe." This, I take it, was the original "Jersey Devil." Robert Evelin was a little more restrained in his "Description of the Province of New Albion." "New Jersey," he said, "was replenished with the goodliest wood of oaks and all timbers for ships and masts, mulberries, sweet cypresse, cedar, pines, and firres, four sorts of grapes for wine and raisins and with the greatest variety of choice fruits. The up-lands, were covered many months with berries, roots, chestnuts, walnuts, beech and oak mass." A Quaker thirty years later said, "Indeed the country take it as a wilderness is a brave country."

In a conference of this kind whose members are acquainted with the delicate and modest art of "claiming" I shall not undertake to claim for the Delaware Basin the greatest antiquity, the earliest and most distinguished settlers, or even that we are the newest and hence most progressive people. I shall freely admit that not more than half of our population, I can only speak in this for New Jersey, of course, can trace its ancestry directly to the Mayflower and that none of our present generation trekked across the Great Divide to build a new empire in the West. But we are old enough to have our problems on the Delaware and we are beginning to feel that the leadership and vision in these four old states are young enough and resourceful enough to develop and handle this interstate problem of the Delaware Basin as a regional enterprise. At any rate, we propose to try it because in the light of recent developments in cooperative effort and the trends toward centralization of power and authority everywhere we distinctly prefer to undertake this problem ourselves. We yet believe that the state has important functions in government and that states' rights in their proper province are yet a fundamental in the whole structure of our government.

The changes and the progress that have swept this continent during the past three hundred years have brought to the Delaware area social, economic and industrial problems as acute and as complicated as to any other comparable area in the nation. The pioneers saw strange things, in fact or in imagination, but the pioneers

of this generation see problems and things more significant to the life of the people, more urgent in their conquest and control and complicated in a thousand different ways. As we watch the Delaware scene today, crowded and congested with its industries, its transportation systems, its community life, its necessities for extensive and expensive government, and when we see the river and its tributaries burdened far beyond the danger line in carrying off the waste and pollution which concentrated population produces, we are forced to acknowledge that pioneering is yet needed on the Delaware. The whales, sharks and the sea spiders are gone but the waters are filled with bacterial waste more dangerous to the population. The rattle snakes have disappeared from our shores but they are crowded with a hustling humanity that demands and requires much more attention.

When the Constitutional Convention in Philadelphia finished its work one hundred and fifty years ago this week, (our principal celebration will be at Princeton on Friday), there were fewer people in the United States than now reside in the Delaware River Valley. While we claimed a million square miles of territory in 1787, much less of that area was actually occupied than is now comprised in the states whose territory forms a part of this basin. The problems which the country faced one hundred and fifty years ago were those of a primitive, isolated civilization. Today we are dealing with a vast, congested, complicated civilization whose interests and safety and advancement seem hopelessly tangled in a hundred different ways.

When Benjamin Franklin—There was a great old fellow. Not long ago I had occasion to read "Fifty-five Men." I don't know whether any of the governors have read it, but it is based, of course, on the Madison last papers story, in very readable form, of the drafting and adoption of the Constitution. I was amused, particularly in the light of some of the recent discussion about the Supreme Court and composition of the Supreme Court, to find the number of plans that were suggested by the founders for selecting members of the Supreme Court.

Some were, of course, that the Supreme Court Justices should be selected by the President; there were others who wanted that function given solely to the members of what was to become the United States Senate; others felt the representatives, since they were to be elected directly by the people, were the ones who should select the Justices.

Then old Ben Franklin, and Ben was the oldest member in attendance at the Convention, made the suggestion that the Supreme Court Justices should be selected by the lawyers. It was a very unique, and yet it might have been a very practical suggestion, because Franklin figured out if you allow the lawyers to select the Supreme Court Justices, they would be sure to select the ablest among them so then they would have his practice to divide among themselves. (Laughter.)

Ben was a great fellow. One of the school boys in the State of New Jersey was called upon to write an essay about Ben Franklin. He wrote, "Benjamin Franklin was born in Boston. He took a boat and went to Philadelphia. He got in Philadelphia. He tried to find work. He found a woman, got married and discovered electricity." (Laughter.)

When Ben Franklin, in his escape from Boston, traveled across New Jersey and paddled his way down the Delaware, he wrote, you may recall that before tying up at the crude dock at Chestnut Street, Philadelphia, he dipped his tin cup into the river and took a long, cool drink from the pure waters of the Delaware. Even Franklin, with all his hardihood and his capacity for sawdust pudding, could not now sip the water off Chestnut Street and live.

The Delaware River runs a course of four hundred and twelve miles, it drains between twelve and thirteen thousand square miles and sustains a population of five million people. The basin area lies half in Pennsylvania with the other half divided among New York, New Jersey and Delaware. For half of the river's length down to the Water Gap, the region is rugged and mountainous, but its beauty and recreational attractions have been

badly advertised. One historian calls it "The eighth wonder of the world." From the Gap down to Easton are rolling hills of moderate height. Alternating hills, ridges and valleys continue to Trenton. Below Trenton, particularly in New Jersey, the land is flat and the river is tidal for a distance of one hundred and thirty-two miles to the sea. Along this majestic water course are rich agricultural lands, large deposits of anthracite coal, slate, lime stone and iron ore. Near the mouth of the Lehigh River is one of the country's most important deposits of Portland cement. But side by side with these important assets, we have eroded hillsides and extensive sand barrens which have not been protected or put to the service of man.

Against this natural background a varied pattern of land use has been demarked by the millions who have come to live in the Basin. Highly industrialized sections with great concentrations of people stand with their backs to sections of the river basin where there are more fish and game than human beings. Wild life has been propagated and maintained in a remarkable degree, side by side with industrialized settlements. Prosperous, well-kept farms spread out to regions where rural slum-dwellers drag out a miserable livelihood on sub-marginal land. On the very banks of this great river, one of the most beautiful in the whole country and one which could so easily be turned to all kinds of recreational use, the children of the poor play in the gutters of the large cities.

I can talk best, of course, about that part of the Delaware drainage area which is included in my own state. Three thousand square miles or forty per cent. of the state's area and twenty-five per cent. of the total Basin area, lies within New Jersey. Eighteen tributary streams flow through this section and are locally important. Eight hundred thousand people, or nearly twenty per cent. of our whole population, live in the Basin. This population is distributed among two hundred and three separate local governments. Our part of the watershed varies from recreational sparsely settled areas in the north to the general farming central areas, and from the

intensive truck farming in the south to the concentrated industrial enterprises along the water line. In 1934 there were eight hundred and seventy-four plants in the New Jersey section of the Basin with a plant capacity of one hundred and fifty thousand workers.

The industrial kingdom in Pennsylvania's portion of the Basin is much more extensive than ours and the proper conservation and use of the waters of the Delaware involve not only the maintenance of the Pennsylvania industries at their present level but also their further development and the health and safety of millions of her people. New York, likewise, has great interests in the Delaware Basin, especially with respect to water and recreation and Delaware lies almost entirely in the Basin area.

There are involved in the Delaware River Basin problems of domestic water supply, sanitation, recreation, navigation, power development, industrial use of water, the fish and oyster industry, agriculture and forestry, flood protection and low water control, and real estate and property interests. All of these are common to New Jersey and Pennsylvania. Most of them are present in Delaware's interests and a number of them in New York State. These problems must be worked out. We have the alternative of undertaking this job through interstate cooperation or having it taken out of our hands and developed through a national authority. There is no other alternative and this realization, together with the seriously acute situation that has developed with respect to pollution and potable water supplies, explains the wide-spread interest that had been aroused among the people in this Basin during the past two years.

Day after day it is borne in upon us that the Delaware River does not separate but rather it unites these states in a joint interest and a joint undertaking that cannot be separated. The river is the pivot around which centers half a score, as I have just indicated, of social and economic problems clamoring for early solution. It compels united action along its entire boundary line. To say that the necessary solutions have not been found

heretofore or that they are difficult and concerted action is hard to obtain is no answer. There can be no turning back. New pioneers are needed and in this instance they have appeared to tackle the problems of an even newer world.

These problems which confront the people of these four states and which demand solution are, of course, not new and there have been other attempts at their solution or at least their mitigation by cooperative effort heretofore. We have had tri-state compacts heretofore.

We know just how important the production and development of a water supply for the people has been from the beginning of mankind. I could even quote Scripture—and some of you Democrats, I suppose, would be surprised to learn that a Republican knows anything about Scripture. My observation has been that a lot of you fellows think that the Ten Commandments and the statutes were written just to govern and control Republicans.

The Forty-third Chapter of Isaiah, 19 and 20, as I recall, says: "Behold, I will do a new thing; now shall it spring forth; shall ye not know it? I will even make a way in the wilderness, and rivers in the desert. The beasts of the field shall honor me, the jackals and the ostriches; because I give waters in the wilderness, and rivers in the desert, to give drink to my people, my chosen."

It has been recognized ever since the beginning of history just how impossible it is for people to live without a potable water supply.

Ten years ago New Jersey formulated plans and took legal steps looking toward the development of the Delaware River headwaters as an auxiliary potable water supply. New York's plan contemplated the diversion of six hundred million gallons daily from that part of the watershed lying wholly in New York State. Interstate efforts to reach satisfactory agreements failed and the case was carried to the Supreme Court. The decree allowed the diversion of four hundred and forty million gallons daily from the Delaware watershed but hedged

the grant around with protecting limitations which seem to provide adequate protection of the lower watershed and at the same time give to New York City the water it needed. In delivering the opinion of the court Mr. Justice Holmes said:

"A river is more than an amenity, it is a treasure; it offers the necessity of life and must be rationed among those who have power over it The different traditions and practices in different parts of the country may lead to varying results, but the effect always is to secure an equitable apportionment without quibbling over formulas." The Justice has expressed what we hope will be—what must be,—the philosophy and attitude of each and all of the states as we proceed in our cooperative efforts.

We have, we think, wisely undertaken to break down the central major problem of the use and distribution of the waters of the Delaware into its smaller parts. The pollution problem, especially in the lower Delaware, has reached a crisis and the Interstate Commission on the Delaware River Basin is working intensively upon ways and means to improve these conditions. The waters of the Delaware should be clean, free of color and odor, suitable for the maintenance of fish and aquatic life and for recreation. We have ample evidence, both at home and abroad, that these conditions may be restored. None of them now exist in the lower basin and treated sewage is being offered to millions as potable water. The Delaware River cannot be cleared of pollution by New York, New Jersey, Pennsylvania or Delaware, it can only be cleared of pollution by New York, New Jersey, Pennsylvania and Delaware working together.

The source of water supply likewise presents difficulties equally perplexing but compelling in their solution. New York City has already begun the construction work necessary to take water from the upper river. The further development of the metropolitan area in northern New Jersey is directly dependent upon the supply of potable water and water to service our industries. Like New York City we shall be compelled to go to the Delaware watershed for an added supply. As a

matter of fact we ought to be building dams and impounding reservoirs and waterlines now. Philadelphia must either go to the Pennsylvania tributaries of the Delaware in her upper watershed or the Delaware River must be freed from trade wastes, human excreta and raw sewage and purified.

I know that we have talked about these things for a generation but the conditions foretold are coming to pass and action must be had. And out of the studies and surveys and reports and recommendations there is complete agreement that the states must act together and there is the same compelling conclusion that they must act now. The cost of supplying water for New York, Philadelphia and the northern metropolitan area of New Jersey and for ending pollution in the Delaware is staggering even in these days of astronomical figures and "after Chicago" expenditures. The immediate plan to augment New York's water supply contemplates the expenditure of two hundred and seventy-five millions of dollars for the four hundred and forty million gallons daily granted by the courts with a maximum developed supply of five hundred and forty million gallons daily. The United States Engineers have considered a second supply of eight hundred million gallons daily to be taken after 1950 and as meeting the requirements of New York City up to 1980 at an additional estimated cost of one hundred and twenty million dollars. Philadelphia now uses about three hundred and thirty million gallons daily, half of which is pumped from the Delaware ten miles north of the center of the city and the other half coming from locations on the Schuylkill, a tributary converging on the Delaware within the city limits. Philadelphians do not want talk about their present water supply. It is inadequate as to quality and for future needs, and Philadelphia is looking to the purer waters of the Perkiomen and Tohican watersheds, a part of the Delaware drainage area, to supply five hundred million gallons daily at a cost of one hundred million dollars. If Pennsylvania and New Jersey will go to the Water Gap area they may obtain all the potable water needed for their respective uses for a hundred years to come at possible though enormous cost and at the same

time the water may be freed of excessive pollution and the flow of the river itself maintained at all times at a safe and reasonable level. To clear the river of pollution will require a great many disposal plants, the elimination or the treatment of trade wastes and major changes in the thought and conservation habits of a great majority of the people in this valley. But these changes are bound to come, because life and progress are at stake. A great many of the people are not yet awake to the situation we are facing but there are enough restless men and women with understanding and vision who see the problems, the necessity for immediate action and the consequences of delay. These are the ones, representative of all of the four states, that are spreading information, formulating plans and developing public opinion in support of positive resolute action.

This new interest in the Delaware Basin project is the direct result of this new, and to me significant, movement toward interstate cooperation. It was my privilege to advocate an Interstate Commission on Cooperation and to sign the first law creating such a body in any of the states. Since that time the movement has spread like wild-fire. Recovering from the stunning blows of the depression and alarmed, I believe, at the movement towards complete centralization of authority in Washington, the states have rediscovered themselves as indestructible units of an indissoluble union and it is my conviction that they will, through this instrument of interstate cooperation, reassume their proper and rightful place in the structure of American government.

This new movement for a neighborly participation in the wealth and facilities of the Delaware River is not yet two years old, yet we have an Interstate Commission on the Delaware River Basin, a staff adequate to handle the work in hand, a budget appropriated by the four states of thirty thousand dollars and we are clearing away rapidly the underbrush, the misunderstandings, the petty jealousies and the numerous obstacles that have heretofore blocked the path.

The present Interstate Commission on the Delaware River Basin is made up of four members from each state,

one a member of the senate, one a member of the house or assembly, one an administrative official of the state government and one a member or executive of the state planning board. In this way we have representation from each state made up of representative citizens of the broadest interest of the individual state and disinterested enough, we believe, to view the wise and comprehensive development of the Basin as a whole. This agency is sufficient and well designed to carry on the work of this movement in its earlier stages because we believe that current activities must be limited to and directed toward the consideration of the claims and proposals, the urgings and needs of groups and individuals, communities and state agencies as they may be presented, the careful examination of all the scientific and factual data available and the working out of a program of development, of conservation, of control and regulation of these common resources of the whole area. When the stage of design and construction has been reached there will undoubtedly be required a different set-up with definite and affirmative continuing power and authority. We believe that as this movement develops that the changes required, as well as the authority and funds, will be forthcoming and that we will, in fact, demonstrate that a problem as involved, as large and as difficult as this can be solved through wholesome and understanding cooperation.

As our good friend Henry Toll reminded us in a significant address at one of these conferences, "The path needs to be discovered but once; that the paths across the continental divide found by the prospector did not have to be discovered anew for the pack trail, the wagon road, and the modern highway; that the way from Europe to America, blazed by the First Navigator, did not have to be rediscovered for the sailing packets, the Normandie, the Queen Mary, the Spirit of St. Louis or the Hindenburg." So, in the matter of the Delaware River Basin or in any of the other regional undertakings by two or more states, the way by which these things may be done needs to be found but once and after that the same formula and the same procedures may be fol-

lowed in a score, a hundred or a thousand comparable situations.

I am personally gratified at the complete cooperation, the generous consideration of the interests of the other states and the serious determination of the representatives of the four states interested in this Delaware River undertaking as they wrestle with the problems involved. Dr. C. E. Merriam, whom I greatly admire but whose political convictions I am not always able to follow, closed one of his recent publications with this sentence: "The future belongs to those who fuse intelligence with faith and who with courage and determination grope their way forward from chance to choice, from blind adaptation to creative evolution."

In dealing with this interstate problem, I think I may say, we of these four states propose to mingle intelligence with faith, to substitute choice for chance, and to demonstrate anew that the states are yet the chief unit in our governmental structure upon which our national sovereignty is builded, and that they can function effectively in this modern world. Through cooperative and understanding action we propose to make the Delaware River the servant of all.

GOVERNOR BLOOD: Governor Hoffman, the conference thanks you for a very able paper.

At this juncture the chair recognizes Governor Nice of Maryland, who wishes to have formally presented the invitation which he mentioned yesterday.

GOVERNOR NICE: Gentlemen of the conference, Governor Blood:

I should like to present Mr. Park Lloyd, who is Managing Director of the Antietam Celebration and who has flown here this morning in company with Mr. Vincent Jamison, a member of the Board of Directors, to extend to this conference an invitation to visit Antietam on the occasion of the President's visit there on Friday, and to be the guests of the City of Hagerstown on Thursday evening.

If you will permit me, I should like to present Mr. Lloyd to this conference in order that he may have a very brief time to give you an explanation of his plans.

GOVERNOR BLOOD: Mr. Lloyd.

MR. PARK LLOYD: Gentlemen of the conference, and ladies:

I want to present just very briefly the question of proper ladies' wearing apparel for the occasion which Governor Nice has referred to. It is briefly this: I will not attempt to give the answer or to argue the point, but if Della wears Virginia's new Jersey, what will Georgia wear when she visits Maryland on Friday of this week? (Laughter.)

This occasion is one of the greatest privileges I have ever had in my life, the opportunity of appearing before the governors of so many states. In fact, it is equal only to the privilege accorded me just about four weeks ago when I was granted an audience with the President, who at that time definitely accepted the invitation to be our guest on Friday of this week. And the real purpose of my visit at this time is to present to you an invitation to be present to help honor those veterans, both Blue and Gray, of the ever-thinning line, and to likewise be there to greet the President on the occasion of his visit.

The Battle of Antietam, the 75th Anniversary of which we are observing on Thursday evening and Friday of this week, was one of the most significant battles upon the American continent, not only because of the fact that it was the bloodiest battle of the War Between the States, but because of a very peculiar significance along other lines, namely, that the two participating commanders, General Robert E. Lee, of world fame and much beloved, commander of the armies of the Confederacy, was at one time an instructor at West Point, and at that time under him the opposing commander in that battle, General George B. McClellan, commander of the Union forces, had been a pupil. And we must bear in mind that that great battle, the bloodiest of the War Between the States, resulted in a draw.

So there can perhaps be no more significant ground to which the participants still surviving, and their descendants, can come together in reunion as they are doing in Washington County this week.

Ladies and gentlemen, we are ever-mindful of the great demand made upon the executives of the various states on the many occasions such as those that are prevailing at the present time. But in making your decisions I bring before you just this very pertinent fact, that of the perhaps less than three score survivors of the participants in that battle, perhaps the majority of them are already assembled in reunion there. And let us bear in mind that their ages are anywhere from ninety to ninety-eight; the span*of their years is limited; and we are asking you to join with us in paying reverence to them on perhaps the last occasion of their getting together in commemoration of an event of this type.

We are trying to make it easy for you to come. It is our understanding you are invited to the White House for luncheon on Thursday, and it is our purpose that you may either be picked up by special train or automobile and brought directly on to Washington County. At Hagerstown we have provided a dinner in your honor for tomorrow evening. After the conclusion of the dinner we wish to present to you our marvelous historical pageant to these veterans, "On Wings of Time."

On Friday we want you to meet the President and view a re-enactment of the fight on bloody land. We trust sincerely you will be able to pay us and those veterans this honor. I thank you. (Applause.)

GOVERNOR BLOOD: Thank you, Mr. Lloyd and Governor Nice, for the invitation.

GOVERNOR NICE: I think we ought to have something more definite, Governor Blood, about who will find it convenient to honor us by their presence in order that those gentlemen may make proper provision for their transportation, either by the B. & O. Railroad at a stated hour, or automobile at the White House immediately after the luncheon. I understand a census has been

taken as to who would be able to go with us. Have you any information concerning that census, Governor Hardee?

GOVERNOR HARDEE: Governor, I haven't taken any census on that.

GOVERNOR NICE: I think it has been done under the direction of Governor Hoffman.

MR. LLOYD: May I make a suggestion? I did not know we could get down here so rapidly. Some mail we sent to each executive last night did not get here until we arrived, but there is a letter addressed to each executive, with an information sheet which will provide us with all the information desired if filled out during the luncheon period.

GOVERNOR HARDEE: That is what I was going to suggest, that these gentlemen contact the governors individually.

GOVERNOR NICE: Governor Blood, the wives and all in attendance at this conference are also extended this invitation, and their welcome will be sincere and cordial.

GOVERNOR BLOOD: "Interstate Cooperation of Flood Control, with Special Reference to the Ohio Basin." This subject will be treated by the distinguished governor of the State of Indiana, the Honorable M. Clifford Townsend, whom I now present to you. (Applause.)

Governor Townsend

**Interstate Cooperation
Of Flood Control—
Reference to Ohio Basin**

GOVERNOR M. CLIFFORD TOWNSEND: Governor Blood and members of the conference:

I recall last February when we had our meeting in Washington, on our return home, we who went West saw a glimpse of the flood waters of the Ohio. You recall at that time that one of the governors from a western state who was having difficulty in getting water enough for his people, remarked that he would be glad to accept part of that water if we were willing to give it to him. Of course, we were willing, but knew no way to do it.

I was very much interested this morning in these discussions, and especially the broad discussion that Governor Miller gave on the possibilities of cooperation among the states on various subjects. I believe that in the last four years we probably realized as never before that a great number of our governmental problems have reached beyond our borders. The federal government has realized that fact and has taken care of some of the problems that we could not take care of ourselves.

We probably have been a little slow in realizing all the possibilities that we have in cooperating one with the other, but happily we are now realizing that thing. And, of course, as has been said, we accomplish two things with cooperation: we retain our individuality and our power to do those things that we feel belong to us ourselves, and also are able to solve some of the problems ourselves.

While my subject, like Governor Hoffman's, deals with a restricted area, probably in a great many ways it can be applied generally.

Man's earliest and most consistent foe in the struggle to wrest a living from the earth has been nature herself. Paradoxically, nature has been man's greatest ally, too.

The prehistoric man feared and worshipped nature. He believed that landslides which wrecked his home and drouths and floods were ordered by gods or spirits who punished men for their misdeeds. The prehistoric man feared nature as he would a wild beast, mainly because he did not understand it.

Rain fell from the skies and he thought of it, when it damaged his crops and washed away his shelter, as a terrible avenging spirit. He had no knowledge that rain was accumulated moisture which must fall when certain atmospheric conditions are present. A gentle rain which nourished the fields was a good spirit, and to the prehistoric man it had no relation to the cloudburst.

But as the history of mankind is marked by natural catastrophies which have wiped out entire civilizations, gradually some men have realized that they could use nature to their advantage and to the advantage of their people.

Where once men's lives were lost fording rivers, today we walk or ride across in comfort over bridges. Mountain ranges that once divided nations into sections are now easily crossed by trains and roadways. Even rivers have been diverted and harnessed to supply power and irrigate waste lands so that it may become useful soil.

I am a farmer, and I have learned that nature can perform wonderful services for man if it is properly used. Some time ago I bought a farm that had been misused for years. The soil was dying from lack of proper attention. I restored to the soil those elements that had been taken from it by unwise planting, and today the field is one of the most fertile in the county.

I think we have much the same situation in flood control. The rivers of this nation can serve the people if

they are properly controlled. Drinking water, moisture for the soil, and electric energy can be mined from the rushing river waters.

I have a newspaper article, which I believe sheds some light on the importance of flood control. It states: "There are several questions of interest and importance which the Ohio River flood has brought forcibly before me. First: These overflows are becoming more frequent and greater.

"In February, 1832, the high water mark at Cincinnati was 64 feet. More than 15 years afterward, in December, 1847, the river rose to 63 feet. Twelve years later, February, 1859, to 55 feet. Three years after that to 57 feet.

"The above figures are pretty reliable evidence that the cutting away of the forest increases the crest of the floods, and the local drainage of farms by tile drains, and of marshy sections of the country by ditches also increases the frequency and the volume of these floods.

"Ought there not to be more legislation concerning interstate drainage, the deepening and straightening of rivers, etc. The Journal has asked this virtually: Ought not river towns to be built on higher ground? These and like questions are practical. Our rivers are much more dangerous, because of sudden overflows, than ever before. The disaster of this year will be repeated, but in a larger scale. It will be a sinking of money, the making of a floating capital which will float away, to ignore the fact that the destruction of forest and local drainage is making more dangerous our crooked and shallow river beds."

This article, my friends, was published in the Indianapolis Journal, February 22, 1884. The voice of an ignored prophet heard more than a half century too late.

This year in Indiana's front yard was an ungovernable flood. I saw pieces of houses, dead live stock, and the soil of hundreds of our acres sweeping down the muddy Ohio River. I saw the frightened, unhappy refugees crowded into camps. Belatedly, we began looking for

ways to prevent future floods. It was time to think through the problem seriously and take action.

The National Resources Committee has reported that the Ohio River is a highway, a sewer and a water supply. The main streams and its tributaries supply the water essential to the health and welfare of the communities and industries that line their banks, furnish the only means of disposal for nearly all the waste products of human and industrial activity and carry the heaviest river traffic in the country.

The Ohio River basin is an empire somewhat larger than Germany. Industrially and agriculturally, the area is one of the richest in the world. Surely it is worth saving.

When we begin to study the problem of flood control, we find it to be vastly complicated and reaching into every form of life and activity. It involves the farmer, the utilities, the manufacturers, the city worker, and government.

Man is himself to blame for the floods. He has exploited land and water resources by shattering the balance of Nature's forces. Through countless centuries there had been built up a balanced, fruitful relationship among waters, soils, grasses and forests.

Sometimes individuals and certain interests have been deliberately greedy in their exploitation of nature. Usually, however, the fault has been a general attitude of careless indifference toward nature. Our resources were so great and apparently so unlimited that there was little effort made to find out how to make the best use for all time of our resources.

The mistakes of our fathers have fallen upon us, and we have had dust storms, drouths and floods. Now we ask ourselves, "What can we do?"

There is no one single, easy solution to the flood control problem. It will be necessary to construct large reservoirs and flood protection works. The flood water can be checked at its sources, in some instances, through land adjustment and measures to stop soil erosion.

Again, it may be wise to move some communities away from the path of the flood entirely.

But these are problems for the engineers and land and water experts. Our problem, as leaders of state governments, is entirely a different one. When the established planning authorities have developed a program, we must be prepared to support it with legislative and executive action.

It was four years ago that we, as a nation, awoke to the urgent need of salvaging our human and physical resources from the results of years of exploitation.

We found that not only were men and women in dire distress but that our natural resources had been shamelessly exploited. Then we had tangible and terrifying evidence of our mistreatment of our natural resources when drouths, dust storms and floods swept the nation.

We found that we could not isolate the problem of flood control from the whole problem of social and economic recovery. No one state could isolate its flood control problem from that of other states.

So just as we are determined to raise the economic and social level of our people, we must work together to protect our natural resources and to make the best use of them.

We need to remember that what solutions we develop must work for tomorrow as well as today. Temporary remedies will not do. The dams must be able to bear the pounding of tons of water. Erosion must be checked to prevent the steady washing away of the land. Fertility and growth must be restored to the lands now wasted by dust storms. The water must be kept free from filthy pollution.

At the request of President Roosevelt, the National Resources Committee last December submitted to him its report on the drainage basin problems and programs.

Regarding the Ohio River, the report states: "A system of flood control reservoirs in the tributaries would provide the most practical means of controlling the floods of the Ohio and its larger branches. A compre-

hensive plan developed by the United States Army Corps of Engineers includes some 89 reservoirs for flood control and power production. Despite the conflict between the need of reservoir space for storage of flood-waters and for storage of water for other purposes, the integrated use of a system of large reservoirs for control of flood waters, for augmentation of low flow, for power development, for water supply and for recreation, if possible."

This report of the National Resources Committee was born of the thoughtful inquiry of the federal government. The government too has utilized the great work of the Corps of Engineers, which has for many years studied the problem of flood control.

President Roosevelt recently signed the bill allocating more than \$24,000,000 for flood walls to chain the Ohio River from reaching out into homes, farms, and business districts. The projects will be selected by the Chief of Engineers with the approval of the Secretary of War. Local authorities may be required to enact reasonable safeguards for providing for run-off and water flow retardation and soil erosion prevention.

In addition, President Roosevelt in a message August 13 said, "I propose to present to the Congress in January a comprehensive national plan for flood control and prevention and the development of water and soil conservation such plan to be prepared by all of the many government agencies concerned."

That there is a vital need for such an organization as the Interstate Commission on the Ohio Basin was emphasized by the President when he said in the same message, "In my message of June 3, 1937, I proposed for the consideration of Congress, a thoroughly democratic process of national planning of the conservation and utilization of the water and related land resources of our country. I expressed the belief that such a process of national planning in the state and local units, and that it should contemplate the formulation of programs on a regional basis, the integration of fiscal and conservation policies on a national basis, and the submission of a

comprehensive development program to the Congress by the President."

In order that we properly understand the task and function of the Interstate Commission on the Ohio Basin, I think we should review its history.

On January 21, 1937, while the Third General Assembly of the Council of State Governments was convening in Washington, the flood waters of the Ohio Basin continued their rise. Representatives from states which comprise the Ohio Basin secured the adoption of a resolution setting up an interstate agency which would function to control, regulate and conserve the resources of the Ohio Basin.

Representatives of the nine basin states met at Columbus, Ohio, on February 5 and 6 with members of the National Resources Committee, the Army Corps of Engineers, the United States Forestry Service and the Ohio Regional Planning Commission. All of the many sides of the problem, flood control, fuller enjoyment of natural resources, improvement of industry, transportation, navigation, commerce, utilities, education, recreation, and pollution abatement were discussed. Those at the meeting found it advisable to create an interstate commission to coordinate the activities of the states with each other and the National Resources Committee.

The coordinating commission would be the nucleus to cement the efforts of state and regional planning boards, the National Resources Committee, and other federal and state agencies charged with the solution of the problems, utilizing the Council of State Governments and the Commissions on Interstate Cooperation in states within the area.

An organization meeting of the Interstate Commission on the Ohio River was held two weeks later in Indianapolis. Since the time of the Indianapolis meeting, Commissions on Interstate Cooperation have been established in all of the affected states. The program is one which is slow in its very nature. Physical construction alone is a matter of years. Added to this is the problem of coordinating the plans of nine state governments

whose legislatures meet ordinarily every two years, and then coordinating those plans with those of the federal government.

The Conference already has accomplished at least one purpose which would justify the existence of the Commission. It has undoubtedly prevented a flood of unwise, expensive and uncoordinated legislation. It has created a consciousness that the problem cannot be attacked by any state alone. This has done much toward saving the states from legislation stimulated by natural excitement which the flood created. Legislators on their own accounts, and because they were besieged on all sides to do something, needed a firm, cool, and intelligent agency to rely upon when they were obliged to view the question as a very longtime problem and not as an emergency which would be completely solved overnight.

By cooperating with his fellows and by the use of the mind that set him apart from other animals, man has been able to solve many of his problems.

Even the prehistoric man who feared and worshipped various forms of nature, was able to advance by intelligent cooperative action. Our task today is to transform the Ohio River from a sometimes unruly and turbulent foe into a dutiful and efficient servant of mankind. As individuals, or as states, we are not stronger than the Ohio River. But as a group of states working cooperatively as one unit, we are potentially able to master the river.

I think we would be serving our people well if we could go to the federal government and say, "We are nine states prepared to act as one to combat the many related problems of the Ohio River. We are prepared to cooperate with you to the fullest extent in this program. Our legislatures will pass the laws you recommend. Our various state agencies will work with your agencies."

We must lay the groundwork for such action by educating the people of the various states involved to the problems, by gathering data and by coordinating the activities within our various states.

The state planning board of Indiana has undertaken a mission which I believe to be a step in the right direction. It is contacting local, state, and federal authorities, private individuals and utilities and asking for their recommendations on coordinated flood control. This survey is considering such related problems of planning as highways, land use, power development and distribution and other physical, economic, and social elements.

The questions the planning board is considering are: What action should be taken immediately? What organizations should carry out the action? What additional financing is needed? What additional information is needed for a long term plan, who would finance it, how should it be secured and how financed and when should it be completed?

We, in Indiana, want to be able to participate in the program of the Council of State Governments and the federal government, and this is true of the other states.

During my tour of the flood sector of Indiana this winter, I visited a part of Lawrenceburg, Indiana, that was totally destroyed. Our party stopped in front of the wreck of one house. An elderly man was climbing over the porch roof while his wife watched. I was afraid one of the loose boards might fall on him, so I cautioned him to be careful.

By way of explanation, one of the party said, "This is the Governor of Indiana."

The woman looked up dully and said, "What can he do for us?"

I could not answer the question then. I have not yet found the answer, but I do believe that if the nine states of the Ohio Basin can coordinate their activities and cooperate with the federal government, we will find a way to help the many hundreds of men and women of today and tomorrow who may be victims of the Ohio River. I thank you. (Applause.)

GOVERNOR BLOOD: Thank you, Governor Townsend. We appreciate your paper.

The subject will be continued. "Flood Control Compacts" is the next subject. In introducing the next speaker I again ask a personal privilege because my state and his state have some things that connect us. One of them is that on a certain memorable occasion in national politics the only two states that went Republican were Vermont and Utah. The other thing is that Utah was settled by Vermont people. The leader of the Mormon people who went out there as pioneers, was born in that state. I speak of the great pioneer, Brigham Young. I understand one was born on one side of his home town and he on the other side. So we have a good deal in common. So I am glad to present to you the Honorable George D. Aiken of Vermont to speak on the subject I have announced. (Applause.)

GOVERNOR GEORGE D. AIKEN: Gentlemen, I will try to make this as short as I can because I know it is getting rather late. I thank Governor Blood for what he said regarding the close relationship between Vermont and Utah. I envied Governor Stark a little bit the practical advertisement he got this morning. I am also in the nursery business and occasionally people in Utah send back to me and get sugar maple trees.

GOVERNOR BLOOD: I beg your pardon. I meant to mention that.

Governor Aiken

Flood Control Compacts

GOVERNOR AIKEN: I hope they grow.

In preparing this talk I made no allowance for making any preliminary mention of my state, but I noticed that the other governors have established a precedent in speaking very well of their states, I suppose in order that the audience might understand and appreciate their later remarks.

In regard to Vermont, some of you may know that we voted a straight Republican ticket last fall, being with Maine in that respect. But I wish to tell you now that we probably operate our state government the nearest on a non-political basis of any state in the United States. When we have appointments to office to make we do not consider the politics of the man to be appointed to any great extent. We have two unwritten rules in our legislature, and following one would be impossible if we did not follow the other. The first is, when our legislature meets party lines are eliminated; second, when any appropriations are made by our legislature, that the cash will be provided to pay for them.

We have, in spite of what people think, a very cordial relationship with the federal government. We are trying a good many New Deal policies. We are cooperating with every federal agency authorized under the Social Security Act. And in nearly all other federal matters Vermont cooperates probably better than almost any other state, with the few exceptions that are represented here now.

I mentioned the fact that Vermont went Republican. I might say that the Republican Party in Vermont recognizes the fact that we must be progressive, that we must

keep up with the times, recognize the needs and desires of the people; that we must combine progress with practical economy. That is probably one reason why the Republican Party is successful in Vermont and has been consistently so. And if any of you here wish, you have my permission to communicate this information to the Republican National Committee. (Laughter.)

The topography of our state is different than many others. We are a state of hills and hundreds of small rivers. These rivers rise at an elevation of one thousand to four thousand feet, and in a comparatively short distance, as would be reckoned in Texas or Utah, they reach the other streams in the main valleys. Consequently, there is a great deal of horse power electrical energy in our state. Some of it is developed, but it is estimated that there is potentially five hundred thousand horse power that has not yet been developed in Vermont. This is one reason why we are so interested in the subject which has been assigned to me, because it affects the very existence of our state and our independence. The subject is, "The New England Interstate Compact for the Control of Floods on the Connecticut River." I notice that has been shortened a little bit on the program, but that is what has been given me, and I will, as rapidly as I can, give you this talk which I prepared.

Considering the fact that the New England Flood Control Compact is regarded, in the states immediately concerned, as the most important and far-reaching matter they are facing today and considering, also, that we regard the final disposition of this matter as one which will intimately affect not only the four New England States concerned but also every other state in the Union, I will attempt to present to you a true picture of the situation as viewed by the people of the New England states and especially Vermont. In making this presentation I will say at the start that I will avoid engineering terms and legal phrases, because, after all, it is not fundamentally a lawyers' or engineers' dispute, but one which affects the everyday man on the farm or the street or in the factory.

It may be well to review briefly events of the preceding years which led to the drafting of the Connecticut Valley Interstate Flood Compact. In early November, 1927, the people of Vermont awoke one morning to find that, due to an unprecedented eight-inch rainfall, the small mountain streams had become raging torrents overnight, sweeping through the narrow valleys, carrying death and destruction with them. When the waters had subsided it was found that damage to the extent of approximately thirty million dollars had been done and eighty-four lives had been lost.

Ours is a state of less than 400,000 population, largely rural and with no great concentration of industries or wealth. No evaluation of the mental and physical suffering of our people during that cold November and the following winter was or could be made. But we came through it with morale high, and the common suffering developed a greater unity than ever in the state. In my thoughts, at least, two spiritual forces were in operation—one was the outflowing of sympathy and help from our sister states, and the other was that characteristic willingness to undergo hardship for our homes, traditional in Vermont from the days of Ethen Allen and the Green Mountain Boys.

Relief and reconstruction measures were taken. Red Cross assistance was made immediately available to sufferers including private property owners. Citizens organized a non-profit corporation to make reconstruction loans to individual sufferers. Railroad companies repaired immense damage to their lines and went heavily in debt, and the State of Vermont borrowed eight and a half million dollars with which to construct new roads and bridges.

Not long after this flood a committee of state engineers, in cooperation with engineers of the United States Army and public utility companies, made a comprehensive survey of the state for the purpose of determining what steps might be taken to prevent, or at least ameliorate, damage from future floods. The result of this study culminated in a report by the Consulting Engineer December 15, 1930, and was submitted to the

Legislature of 1931. Recommendations were made for the construction of eighty-five storage reservoirs within the state at a cost of approximately one hundred fifty million dollars. Over thirty of these were to be in the Connecticut River watershed.

It was recommended that these reservoirs be constructed for both power and flood control purposes, with state and utility companies sharing the expense. And it is interesting to note that in the reports made by army engineers up to February 12, 1936, while the two sets of engineers, civil and army, did not always agree on sites, yet both did agree that flood control could be obtained and afforded only by combining it with power development and by depending on power to pay the major part of the cost.

Several factors may have influenced both the army and the civil engineers in reaching their conclusion:

1. In the study of economic justification for reservoirs, only the direct damage or loss figures were used. No account was taken of the secondary losses, such as loss of production due to shut down, and similar losses, which, if all could be collected, might equal or exceed the direct losses.

2. Any public financing for flood control would have been confined to Vermont, because the 1927 flood was a less disastrous one on the lower Connecticut, and did little damage in Connecticut and Massachusetts, consequently there was no opinion than that these states would be benefited by, or could be expected to contribute to, the cost of reservoirs in Vermont.

3. Vermont had already borrowed to the highest limit that public opinion would sanction to rebuild roads and bridges, and higher taxes to pay for the reservoirs as they were built could not be imposed.

However, certain people interested in harnessing or controlling the rivers worked out a plan for development that had some elements of public financing and yet did not require the use of state credit or taxation as such. The plan was embodied in a bill and presented to the

legislature as a flood control measure. The bill provided for the establishment of river regulating districts or authorities under certain conditions on the petition of three legal persons not necessarily citizens, holding property in the district.

The directors of a district were to have power to issue bonds and make assessments of benefits. The bill also provided for them other power and authority, which, once they had been appointed, made them virtual dictators of economic life of the district. Careful examination of the bill made it evident that, in effect, it would provide the power companies with control of the destiny and development of the state. For these reasons the bill was defeated in committee of which I had the honor to be a member.

The attitude of the people of Vermont in regard to enacting a law, which they considered might result in delivering the natural resources of the state to private utility companies, was very definite and no attempt has been made to revive this bill. Of the two evils, occasional floods seemed preferable.

In 1933, when unemployment was at its height and the bonus army was besieging the national capitol, federal authorities, seeking an opportunity to put idle veterans to work immediately made arrangements to start construction of dams on the Winooski, a small Vermont River, in accordance with recommendations of the Flood Control Commission's report.

The bonus army, later enrolled in the C.C.C., has now constructed on this river two retention dams and a third dam is now nearing completion. The state furnished the sites and flowage land and relocated highways, but other costs have been paid by the federal government. Although it is doubtful if power can be profitably developed at more than one of these dams, yet power rights were reserved by a private utility company when it gave to the state most of the land and flowage rights for these developments.

In March, 1936, Massachusetts and Connecticut were visited by the most destructive flood in their history.

I am advised that the flood waters which swept down the lower reaches of the Connecticut at that time were what scientists call a three hundred year flood, that is, floods of this proportion may be expected, on an average, once in three hundred years. We cannot blame man for all these floods, because history tells us the early settlers encountered very serious floods the first years certain valleys were settled.

And in regard to Indiana, we know from history when George Rogers Clark took Vincennes that he had to get his feet wet to do so due to a very severe flood at that time.

From Central Vermont southward the waters of the Connecticut rose to the highest mark on record, at Hartford reaching a maximum stage of 37.5 feet, compared to 29.0 in 1927, the previous maximum. That Vermont did not suffer to anywhere near a proportionate extent as the states to the southward was due partly to the sturdy construction of highways and bridges built following the 1927 disaster.

So far as I know, the bridges and highways replaced following the 1927 flood, we lost not a single one of those bridges or a mile of highway. Much of the damage of both these floods was due to the fact that old construction of highways and bridges had been inadequate to handle the tremendous increase in traffic placed on them and, consequently, many small sluices were squeezed in so they could not accomodate the flow of the water.

It was only natural that Connecticut and Massachusetts cities and towns desired that they should be protected from future floods to as great an extent as possible, and, if retention dams were the logical method of providing this protection, these states were rather helpless to effect it by themselves because, except for a few sites in Massachusetts and New Hampshire, most of the possible and feasible sites on tributaries of the Connecticut River are in Vermont.

On April 8, 1936, the Vermont State Planning Board and Advisory Committee unanimously recommended to Governor Smith, that in view of the emergency created

by the flood, he would be fully justified in appointing by executive order, a Vermont committee to negotiate with the other states for flood control of the Connecticut.

Because the flood of 1936 arose from a totally different cause than that of 1927 and because a different area of New England was most seriously affected, army engineers again got to work making a re-survey of the Connecticut Valley watershed, investigating every possible site where dams of major importance might be built.

Vermont again did not enthuse over the prospect of storage dams being built across our beautiful valleys. Nor do we today ask for the further reconstruction of dams for our own protection. Years ago we lost our relative position as a state of major agricultural importance, nor are we a state, comparatively speaking, of great industrial development, but for the past decade there has been going on a new development within our borders, which promises to compensate for the loss of position as an agricultural and industrial state, which we had in the earlier days. It may be said that we are becoming a state of homes, with a general resettlement of our hill towns taking place. We have welcomed people from other states and from the industrial centers, who have come to make their homes with us, and a hundred towns and villages have taken on new life because of this immigration. If, however, storage dams are constructed, flooding our valleys, destroying villages and homes, this development must also cease. In the basin of one small river, where construction of a dam was urgently recommended, it was found that one hundred eighty-two families from other states had located there within the last ten years.

It was at one of these hearings that the list of one hundred and eighty-two residents of the valley was presented to the Commission, all of these one hundred and eighty-two being residents of other states, well-to-do people who were making summer homes, and about half of them permanent homes with us.

Vermont, however, had no desire to be unneighborly. The New England states work together closely realizing

their interdependence and the fact that injury to one injures all of them. We felt it only fair to do all we could to protect the lower valley. My predecessor had appointed a commission which, I continued, to act for our state in conjunction with commissions from the states of New Hampshire, Connecticut and Massachusetts in trying to work out with the United States Army engineers a plan which would provide a degree of benefit to the southern New England cities and at the same time not injure Vermont and New Hampshire to a disproportionate degree.

On June 22, 1936, the Omnibus Flood Control Bill or Copeland Act was signed by the President. This bill extended the assent of Congress to interstate compacts for flood control to the entire country and authorized federal funds for construction of flood control reservoirs, under the direction of the Secretary of War. And on July first, to third, 1936, the flood control committees of the four Connecticut River states and division and district officers of the Corps of Engineers visited the sites for proposed reservoirs in New Hampshire and Vermont, proposed by the Corps of Engineers for the initial plan for flood control of the Connecticut River.

During the summer and fall, the Vermont Compact committee held meetings with local authorities and the interested public to explain the Army Engineers' flood control plan, and to obtain from these authorities and the public both the favorable and unfavorable local effects of the operation of the reservoirs.

These meetings made it evident that some of the reservoirs proposed were economic extravagances in that they would result in the destruction of other values of equal or greater amount than the values they would save by reducing flood crests.

During the fall and winter, 1936, the flood control program was studied intensively and certain alternate sites were proposed by the Vermont Committee. The lawyer members of each state committee made progress in developing the form of a possible compact.

The cooperative work among the four states culminated on March 8 of this year, 1937, when the governors of the four states, with their advisors and commissions, met with the Secretary of War and army engineers in the City of Hartford, in an effort to decide upon some plan which might be made effective before the adjournment of Congress, and let me say here that, in view of subsequent events, I see no reason to believe that the Secretary of War and his engineers have not acted in good faith at all times and should not be held responsible for the failure of the compact up to the present time.

Following the Hartford Conference, sub-committees worked with United States Army Engineers and attorneys in formulating the first interstate compact for flood control.

You have noted from this account that nearly a year was used by the representatives of the states in preliminary work after the flood of 1936 before a single word of the Compact was written. This, however, was neither lost nor wasted time. It was an educational period during which the negotiators learned first hand the situation and problems of each of the states in this matter of river control. Also, during this period, the public got a clearer understanding of the whole problem and came to a realization that some sacrifice by each state was necessary. As a consequence of this preliminary work, the terms of the Compact were proposed, debated, agreed upon and reduced to final written form by the negotiators in approximately six days.

The Compact creates the Connecticut River Valley Flood Control Commission, consisting of twelve commissioners, three to be appointed from each state in such manner and for such terms as the law of the state may provide. A majority of the members from each state constitutes a quorum for the transaction of business but no binding action may be taken unless at least two of the members from each state vote therefor. Compensation of the commissioners is to be fixed and paid by the state from which they are appointed. Their necessary

expenses incurred in the performance of their duties are to be paid from the funds of the Commission.

The Commission is given the usual full power and authority held by corporations.

The Commission is charged with the duty and is authorized and empowered to give such assurances, satisfactory to the Secretary of War, as are required in the third section of the Flood Control Act.

The Commission may make or cause to be made such studies as it may deem necessary for the development of a comprehensive plan of flood control in the Connecticut River Valley.

The Commission shall not pledge the credit of the signatory states nor shall it convey, encumber, or in any way undertake to alienate the lands, easements and rights of way, leased to it, except by and with the consent of the signatory states.

The Compact provides for reducing the height of floods by use of reservoirs constructed on the tributary streams in Massachusetts, New Hampshire, and Vermont. The initial program contemplates the construction of eight reservoirs, two in Massachusetts, three in New Hampshire and three in Vermont, to control the run off from approximately seven per cent. of the drainage area. The ultimate plan contemplates the construction of a total of twenty reservoirs, to control about twenty-one per cent. of the drainage area. As now proposed, four of these reservoirs would be in Massachusetts, three in New Hampshire and thirteen in Vermont. The locations and capacities of the eight reservoirs in the initial plan were definitely fixed in the Compact. The locations and capacities of the reservoirs not named by the Compact for the initial plan must be approved by the Compact Commission and by the legislature of the state within which they would be built. This subjects the future proposals to the same control by the states that they exercised over the initial plan.

The Compact provides that title to property, real estate, easements and rights necessary for a flood con-

trol reservoir shall be acquired by an existing agency of the state in which the reservoir lies. Such acquisition may be by purchase or condemnation proceeding. There is reserved to the Flood Control Commission the right to review the proposed transactions in any state and to accept them, or to order the acquiring agency of the state to obtain any or all of such property by condemnation. Title to this property must remain in the name of the state.

After its acquisition the property is leased by the state to the Connecticut River Valley Flood Control Commission for a period of nine hundred ninety-nine years and the Commission reimburses the state for its expenditure.

In much the same way each state is responsible for securing the relocation and reconstruction of all highways, railways or other public utilities made necessary by the construction of a reservoir, and is reimbursed by the Commission for such expenditure.

The funds of the Commission are obtained by contributions from the four states according to benefits received and sacrifices made.

The framers of the Compact realized that they were, in a sense, pioneering in creating an interstate compact commission of this nature and under such circumstances they might have been excused if they had been tempted by the opportunity there offered them to endow their creation with power to do directly all the acts and things necessary to carry out its functions. However, they were schooled in the town meeting tradition of government, and so gave to the Commission only the minimum necessary powers to do the things that the states could not do individually, and required existing state agencies to do all other things when requested by the Commission. I recommend this feature of the Compact to your careful consideration.

Although during the writing of the Compact, attorneys and engineers of the War Department had worked constantly with the representatives of the states,

yet on its completion the Compact was sent to Washington for further scrutiny to determine that it was acceptable to the federal government in every respect. One minor change was suggested and it was made.

After the compact was completed it was submitted to the legislatures of the four states and ratified by all of them without opposition and without the change of even a single comma.

In early July a resolution which would give the approval of Congress to this Compact was sponsored by the eight senators from the four New England states and a representative from Massachusetts and was introduced into Congress. After some delay it was announced that the federal administration, acting on advice of the Federal Power Commission would not approve the Compact on the ground that the states had reserved to themselves rights to water storage, possible power development and title to the property. Previous to this time federal officials had advocated these things to which objection was now raised.

Congressional hearings were held on the original resolution consenting to the Compact. A majority of the house committee reported favorably on its adoption. Action in the Senate was blocked. And that is the present status of the Interstate Compact for the Control of Floods in the Connecticut Valley.

Let no one here get the impression that what I am saying is in defense of any private utility corporation. I even hold that through their manipulations in pyramiding values, and the acquiring of unearned and unwarranted profits at the consumers' expense, they are largely, if not principally, responsible for the present state of affairs. That they may have heretofore profited by reason of expenditure of taxpayers' money for flood control measures cannot be denied. That they have wielded an undue and unsavory influence on certain state governments is probably true. They must be strictly regulated as to privileges and rate charges and this regulation may have to be done by federal authority, yet there are many of us not yet willing to concede that the

federal government is powerless to regulate an industry except by acquiring it or destroying it.

On August 6 a resolution, said to be favored by the federal administration, was introduced into both Houses of Congress, which authorized the four New England states to enter into a so-called Flood Control Compact, provided that all reservoir sites and all power and storage sites connected with any development shall be transferred to the federal government, and it further provides that the War Department be authorized to take from any state—meaning, in this case principally Vermont and New Hampshire—without their consent any dam sites on tributaries of the Connecticut within those states.

That there was instant and practically unanimous opposition to this resolution from the New England states was to be expected. Dozens of towns (and the town is a unit of government in both Vermont and New Hampshire) receive a considerable part of their income from taxation of public utilities and power rights. In Vermont alone over a million dollars annually is paid into town treasuries by utility companies, and in addition to this the state collects several hundred thousand dollars a year in a tax on the production of hydro-electric energy.

It may be interesting to note that in giving up the three sites of the original plan to flood control purposes, that Vermont was giving up the possible development of twenty-nine million kilowatts of energy annually. We have an electrical energy tax of one-half a mill per kilowatt in the state, and on these three sites alone on which we were giving up the right to collect that tax, perhaps, in the future, the tax would have amounted to \$16,000 yearly, and added to that would be the loss of local taxation due to the development, which would amount to two or three times that amount. The damage from the flood was estimated at \$1,400,000.

If the War Department should be given and should exercise the proposed authority to take from these towns without recompense for loss of taxes or possible municipal development these reservoir sites and power

rights many of them would face bankruptcy, for the construction of reservoirs under this condition would mean not only loss of taxes from utility companies but loss of income from agriculture, from industries and the preclusion of future recreational or any other form of development.

As it appears now, the paramount question involved in the Connecticut River Interstate Compact is not one of flood protection, nor of power control, but one affecting the very foundation of our government. Shall the federal government have the authority to take from a state without its consent and with or without recompense the natural resources upon which the industry, the income and the welfare of the people of that state may depend?

A few years ago serious consideration of such a question would have been laughed at, yet today there has been introduced in Congress a measure seriously seeking this end. It is not a question affecting New England alone, for it is self-evident that if the water power of Vermont can be taken without its consent then the same right would exist for appropriating any natural resources of any other state.

I cannot help but feel that this situation is due to the insatiable desire of certain federal authorities for more and more control of all of us and our possessions and resources, public and private—to what end? It is time that we face this issue for what it is, and not confuse it with discussions of flood control, power control or any other subterfuges.

Let's put our cards on the table and fight it out on the real issue. I hold no resentment against those who sincerely believe in a greater centralized authority, because it is not a one-sided argument by any means. But in concluding this presentation, in a general way, of the New England Flood Control Compact situation, may I say to you:

Vermont is a small state, geographically and in population, only a few are smaller; yet up among our green hills there has, for a hundred and sixty years, existed a love of liberty and a spirit of self-reliance second to none

in the world. For fourteen years we existed as an independent commonwealth, owing allegiance to no other government, yet, since we joined the thirteen original states in 1791 as the fourteenth state, none has been more steadfast in its loyalty to our national government.

Never wealthy, except in those things that money cannot buy, we have practiced from the very inception of our state government a policy of paying our debts and doing without those things we could not honestly afford and, by virtue of our streams, our forests and other gifts of nature, we are successfully practicing this policy today.

Vermont has literally beggared herself for others. She contributed a far greater percentage of her people and her savings to the building up of the great midwest agricultural empire than did any other eastern state.

And now it is proposed by those high in authority to take from her, without her consent, the means and the rights by which her people have supported themselves for over a century and a half.

Do those who make this proposal believe that the ideals of thrift and independence up in New England have been discarded overnight? Or that a desire to cast aside the responsibility and authority of local self-government has been created by a few years of tremendously increasing national debt, which we feel that sometime must and should be paid?

If they believe these things, they fail utterly to understand New England character.

What Vermont asks, and I have no hesitancy in appealing for the assistance of the other forty-seven states in this matter, is the right to handle purely local affairs in our own way, to enter into agreements with any of our sister states on such matters as may concern our states alone; to continue, without interference, adhering to the principles of industry, self-reliance and self-respect, and to remain solvent. These things are our desires, to the attainment of which our efforts will be directed. (Applause.)

GOVERNOR BLOOD: Governor Aiken, the conference appreciates your paper on the subject of Interstate Cooperation.

Now, the question is open for discussion.

GOVERNOR CROSS: Mr. President, a question similar to this has arisen in connection with flood control in the Ohio Valley. Has that question come up at all?

GOVERNOR HOLT: I might say, in response to Governor Cross's inquiry, that we have had a little litigation relative to the power of the Federal Power Commission and the powers of the state in both Governor Peery's state of Virginia and my state of West Virginia, involving one of the tributaries to one of the Ohio Rivers, and some of that litigation is still pending. The West Virginia end of it was terminated about two or three years ago, involving power, on certain streams, of the Federal Power Commission, which, I take it, is somewhat similar to the subject matter discussed by Governor Aiken of Vermont. We had some very interesting litigation as long as it lasted, and we are maintaining the stand of an interested observer in the same stream to the side of which is in the Commonwealth of Virginia. Governor Peery can give a better answer on that, on the exact status of it.

I participated in some of the cases in the earlier stages, but have not had time in recent months to participate.

GOVERNOR PEERY: The litigation to which Governor Holt refers was with reference to building dams on New River, which runs through the state of Virginia and into West Virginia. The question there was whether or not that license should be obtained from the Federal Power Commission or from the state. I understand Governor Cross's question to go to the point as to whether or not there has been a proposal, in connection with the Ohio River basin similar to that which the Governor of Vermont has referred to in connection with the Connecticut River basin. I am unable to answer that question. This litigation, of course, involving a conflict

between the federal and state authority, I think turns upon the question of fact whether or not New River is a navigable stream at the point where the dam they propose to erect has been located. I do not think, however, that answers the question that Governor Cross directed to the conference as to whether or not there had been an effort in connection with the Ohio River Basin similar to that in the Connecticut River Basin.

GOVERNOR CROSS: That question has come up.

GOVERNOR TOWNSEND: Power rights were not involved in that, apparently.

GOVERNOR PEERY: They were involved in this way, as to whether or not they could build the dam without a federal license or whether or not they were under the Virginia State Corporation Commission, which has control of granting licenses to concerns which seek to build dams, and the question there was whether or not it was a case for federal jurisdiction or for state jurisdiction, turning upon the question as to whether or not New River at the point where the proposed dam is to be constructed, was navigable. That litigation is still pending.

GOVERNOR BLOOD: Thank you, Governor Peery.

GOVERNOR ALLRED: Mr. Chairman, I raise a point of order and ask if it would be proper at this time, this being lunch time, to continue the discussion of that this afternoon.

GOVERNOR BLOOD: The Chair was about to say that the governor of Texas will continue the general discussion of Interstate Cooperation this afternoon.

GOVERNOR ALLRED: I am more interested in lunch, Mr. Chairman, than I am in that speech.

GOVERNOR BLOOD: I presume from what he said he is going to leave some time for a general round-table discussion.

GOVERNOR ALLRED: I assure you I will.

GOVERNOR BLOOD: I am not asking, I am announcing.

Governor Hardee, have you some announcement to make?

GOVERNOR HARDEE: No announcement other than what you heard this morning. But may I call your attention to the fact that the discussion this afternoon led by Governor Allred of Texas is on a very practical subject, the question of crime prevention. I know you have read about a controversy between Georgia and Massachusetts. I think that this discussion this afternoon led by Governor Allred will be very wholesome and helpful, and we are going to have a general round-table discussion following that, followed by a business meeting at which reports will be made. So we are going to have a pretty full meeting, so won't you come a little bit earlier than you did yesterday afternoon and this morning?

GOVERNOR BLOOD: May I ask whether you are ready for adjournment, Governor Peery?

GOVERNOR PEERY: I think the hour fixed by Governor Hoffman for lunch has arrived.

(At this time a recess was taken to two-thirty p. m.)

Governor Graves
Presiding

**Afternoon Session,
September 15, 1937**

GOVERNOR PEERY: The conference will be in order.

I have the pleasure of yielding the gavel to the Honorable Bibb Graves, Governor of Alabama, who enjoys a distinction that none of the rest of us in this conference enjoys. (Laughter and applause.)

GOVERNOR GRAVES: First on the order of business is a paper by the governor of Texas. He will announce his subject and proceed. (Applause.)

GOVERNOR JAMES V. ALLRED: Mr. Chairman, my fellow governors and ladies present:

I want to congratulate the conference upon this marvelous presiding officer we have this afternoon. I think he will be the best of all, with all deference to those who preceded him.

I shan't entertain you with any detailed discussion of my state. With the modesty of the people who come from the State of Texas, I shall scarcely mention my state at all.

We make claim, however, to one distinction: It has been pointed out with a great deal of pride here that the presiding officer, Governor Graves, enjoys one distinction that none of the other governors enjoys. I am sorry that we cannot lay claim to any paternity of the senator, the junior senator from Alabama. But it does so happen that the Governor of Alabama was formerly a Texan and played left half back on our football team at the University of Texas.

I want to express my appreciation for the associations it has been my privilege to enjoy during this wonderful convention. A little while ago I spoke to a photographer for "Life" magazine. I understood he was making photographs for "Life Goes to a Party." On this occasion it will be "Life Goes to the Governors' Party."

I said, "Has this been a good party?"

He said, "It is the best I have ever been to." I was glad to have that unbiased statement on his part, because I felt it was one of the best I had ever been to. Not only has it been a marvelous party from the standpoint of the entertainment that has been provided by New Jersey, which cannot be surpassed, I am sure, and I doubt if it can ever be equalled, but to me it has been an unusual party from the standpoint of the great good that has come to each one of us from this exchange of ideas and experiences. I know I have profited tremendously from this gathering. And I am only sorry that it has not been my privilege to attend previous meetings of this organization since I became the governor of Texas. I am now serving my third year. I shan't miss another, because I am going to carry back a great many ideas about how to recommend, at least, the government of Texas should be carried on as a result of this conference. And I know I will never form any friendships that I shall treasure any more than those I have already made here at Atlantic City. It has been a rare privilege to meet the governors of our sister states. I am only sorry that more of us are not here.

I went with Governor Graves and Senator Graves a week ago last Monday, on Labor Day, down to New Orleans. We were invited by the governor of Mississippi to take part in a sail-boat yacht race. I had never been on a sail-boat nor had four other governors who attended. I had no idea there was so much of a real thrill, so much real sport in a sail-boat race. I want to earnestly recommend that all of you come to Biloxi, Mississippi on Labor Day. I think we will have twice as many as we had the last time.

After you get the feel of it, most anyone can pilot a sail-boat. They furnish you with the boat. And it is one of the grandest thrills in the world, and if you don't think those governors are out there to beat the rest, you are wrong. I was real proud of this young man on my left. He finished in third place. Governor White won first prize again. The prize is a coffee pot. It is worth coming for.

I hope to see you down in Biloxi next year.

Governor Allred

Interstate Cooperation In Crime Control

The subject assigned to me is one upon which I am sure most of the members of this conference have had far more experience and better developed views than I. Interstate Cooperation in Crime Control. I really feel, in view of the controversy that has been raging in the newspapers that this should have been assigned as a matter of joint debate between the governor of Georgia and the governor of Massachusetts. I am sorry the governor of Massachusetts could not come on account of the illness of his daughter, and I am sorry Governor Rivers could not come. He is a fine fellow. I think next year we should have as an outstanding feature of the convention, a debate between the governor of Georgia and the governor of Massachusetts and see if we can settle this situation. (Laughter.)

The problem of crime control has always been a serious one. Until recent years it has been regarded as a purely local one for the particular city, county or state wherein the offenders committed their crimes.

In former times many local or state officials were completely satisfied with their work if they could "banish" the troublesome offender to the neighboring city or state. That idea unfortunately still prevails in too many localities.

The growing realization on the part of officials everywhere that crime control is not a purely local problem, but that each of them is merely a soldier in the ranks making a common fight against a common menace is the most significant and encouraging sign we have that real progress is being made.

Those of us who have given serious study to the subject realize that crime is by far our most expensive national indulgence; that if we could stop its constant drain upon our wealth and production, all our budgets could be balanced and all our public debts could be paid with five years' saving.

I am particularly happy to see Mr. MacFadden, whose hospitality we enjoyed at the luncheon today, present this afternoon.

I have enjoyed reading all of your fine editorials, and particularly those in which you have dealt with the crime problem, Mr. MacFadden.

Of course, we cannot hope to prevent crime altogether, but I am thoroughly convinced that with proper co-operation between the states coordinating in certain fields with the national government, we can greatly reduce crime and its consequent burden on our social and economic welfare. I think moreover it is a paramount duty of public officials to bend every effort to that end.

Most of us, I am sure, have been amused to a great extent by the news accounts of some of the reasons announced for refusing some of these extradition writs. I do not want to be critical of a governor of a sister state, but I think the governor of Massachusetts might have exercised the wrong reason for refusing to grant an extradition to the sovereign state of Georgia.

As I understand, one reason which may be urged why extradition should not be granted is, it is a debt collecting proposition. And it occurs to me the governor might have said the governor of Georgia was trying to make those fellows pay a little debt they owed the State of Georgia, and assigned that reason for refusal of the extradition writ.

I think, however, all of us should be very careful, and I am sure very few of us are, when we request an extradition writ from a sister state. I mean, before I should request you to grant an extradition writ I should be sure no causes exist for denying that writ.

Recently I had a case presented to me by officers of a far distant state, and I am certain that the governor of that state, had he known the facts stated in the complaint or the affidavit attached, that he would not have requested me to grant that particular writ of extradition.

One of the most serious obstacles to a really effective crime control program has been the apparent indifference of the public. The people have been too slow to realize that they are the ones who are paying the annual crime bill, and that they can do something about it.

There is reason to believe, however, that the people are becoming more alive to the seriousness of the situation and that they will give increasing support to wise leadership in crime control efforts.

Unfortunately, it took the organized racketeering of a Capone and the spectacular marauding of a Dillinger, a Floyd and the Barrows to make the people, and many officials for that matter, realize that we were employing "horse and buggy" methods against sixteen cylinder automobiles on concrete highways. These big shot criminals can and always will be put out of business. In fact, because of the splendid work that has been done by federal and state officials the over-lords of crime are definitely on the run.

We are going to make a serious mistake, however, if we allow our success in subduing and imprisoning master criminals to obscure what I consider the real problem of crime control. We can all agree that the big fellow could not exist except with the support and assistance of a host of small fry criminals. The big fellow is merely the boil evidencing the existence of poison in our social blood stream.

So, while I heartily agree that the vicious dangerous criminal must always be dealt with in the sternest possible manner, I think increasing emphasis must be laid upon a careful study of the causes of crime, its prevention and the reformation of those who have violated the law. It is in this field that we can render the most worthwhile and lasting service to the country.

In meeting this great challenge to organized society we are going to be compelled to strengthen and employ virtually all of the agencies of government, and particularly to lend and accept all possible cooperation between the states and the national government. It is for this reason that the program of the Interstate Commission on Crime of the Council of State Governments is an essential part of any crime control movement. The fact that this national movement has within the brief period of two years secured the almost unanimous endorsement of several states and the federal government demonstrates conclusively the vital need for its proposed reforms.

One of the most discouraging, and I may say inexcusable impediments to the interstate control of crime is the imaginary boundary line of the sister state beyond which the constituted officers cannot pursue and arrest even the most dangerous criminal. With the advent of improved highways and automobiles, even in a state as large as Texas, this method of escaping detention has been increasingly employed. Even with the splendid spirit of cooperation that has existed between the officials of many states where the fleeing criminal has been apprehended, the delays for extradition proceedings have been unnecessarily expensive and often have enabled material witnesses to flee the jurisdiction of the state.

This loophole for criminals in any state can be closed by the enactment of the Uniform Act on Fresh Pursuit sponsored by the Commission. Unless inhibited by some constitutional provision, the proper state authority, under this plan, could save much time and expense in returning fugitive criminals. Moreover, this summary and simple method of dealing with roving bands of thugs would go a long way to deter their operations.

Closely related to the problem of pursuit across state lines is the very great need for facilitating and simplifying the transfer of criminals from one state to another. I recognize that extradition proceedings are governed in many states by constitutional provisions. At the same time the Constitution of the United States definitely provides for the delivery of criminals between the states,

and there is no good reason why there should exist such a lack of uniformity in proceedings to determine the rights of the demanding state.

There is, in the several states, a great deal of difference in the form of the required requisition, the necessary supporting documents, the arrest of the accused, the time of hearing for habeas corpus, the right to hold pending a prosecution in the asylum state and other matters with which you are thoroughly familiar.

I think there is much that could and should be done in order that the asylum state shall not become a sanctuary for criminals. There can be no real cooperation between the states where one executive refuses to grant a request for extradition simply because he does not approve of the public policy of the asking state. As much as anything else I think we need a restatement of the law and policy and the federal Constitution and a strict adherence thereto by all of us who are responsible for its administration. After all while little, if any discretion is confided to a governor in determining whether he shall grant or refuse an extradition, yet neither the Constitution nor the law has provided an effective remedy where a chief executive fails to perform his sworn duty. The matter, therefore, finally addresses itself to his conscience and good faith. It is a most important, indeed a sacred trust, upon which in principle, the public welfare ultimately depends.

Another serious obstacle in the way of law enforcement is the inability to secure the attendance of out-of-state witnesses. Every prosecutor has had to face this discouragement under our present system. With appropriate action by and between the several states this often used device of the criminal element can be destroyed. It would go far to break down the unfair and disgraceful security that thousands of criminals have enjoyed in the past.

As I have already stated, I consider measures to prevent crime and the rehabilitation of those convicted of crime as our most serious problem. For that reason I

am particularly interested in a proposal for the supervision of out-of-state parolees.

During my service as governor of Texas, I have given the subject of paroles and clemency in general a great deal of study. I have found it to be the most trying, as well as the most important problem, with which a governor had to deal.

In Texas parole in its strictest sense is a relatively new term. The words "pardon and parole" have been synonymous in practice and the person on parole had until recently simply been a free agent without any form of supervision or guidance. I find this condition true in many of our neighboring states.

The modern theory of parole, as I understand it, is that it is not in the strictest sense clemency, but a definite method of treatment of the individual convicted of crime. I had much rather have it thought of in such a sense than as clemency. I am fully convinced that parole should not be a form of clemency as it is now practiced; clemency is the last resort. Parole should be carefully planned and as carefully executed. The case of every prisoner should, I believe, automatically come up for consideration for parole.

In Texas we have put this theory into practice by removing the power of absolute clemency from the hands of the governor and placing it in a non-political board.

I have a great deal of discussion with my lawyer friends and some of my governor friends with reference to the policy involved. They seem to feel that the power of pardon is a sort of divinely given right that should be exercised only by the chief executive. But I found this in my experience, and perhaps it may be true in your state that, to say the least, we have had some terrible abuses of the pardon system in my state. We would have one governor who would be entirely too liberal in the granting of clemency and the releasing of men upon the public. And he or she would be followed by another governor who would not turn anybody out. I maintain a system that changes according to the whims

and caprices of whoever happens to be governor is not fair to the convict or fair to the general public. I think we should have a general policy that should be maintained throughout the years, and for that reason I advocated, and last year the people of my state adopted, a constitutional provision which took the unrestrained power of pardon out of the governor's hands. I gave it up, and it has been one of the happiest things in my life. It has taken more off my shoulders than anything that happened since I have been in the governor's office.

The power of clemency in Texas is finally in the governor, but no longer can the governor grant clemency without investigation and recommendation of the board. And the governor does not appoint that board any more. The three members are appointed, one by the governor for a term of six years, another by the Chief Justice of the Court of Criminal Appeal for six years, and one by the Chief Justice of the Supreme Court for a term of six years, one of those terms expiring each two years. In that way the opportunity for placing it under the power of any individual is taken away and we maintain a settled policy throughout the years.

The governor has the power to veto favorable action of the Board of Pardons, but he cannot grant clemency except upon the recommendation of that board. And when they recommend it he is free to grant that clemency just as he used to be under the old system. And I think it has vastly improved conditions in our state.

It seems to me that our ultimate objective should be this: To prevent boys and girls, men and women, from going to the penitentiary when they should never go there in the first place; to release, under supervision, those entitled to be released by virtue of reformation; and to make the penitentiary a place to keep real criminals.

Throughout the country the public conscience has revolted at the crimes committed by felons with a parole in one hand and a smoking pistol in the other. Each state, no doubt, has had its own unfortunate instances of crimes committed by paroled men. This has tended

to throw the parole system, indeed even the theory of parole, into public disrepute. It is only too true that one crime committed by a pardoned or paroled convict can do more to prejudice the public mind than the perfect record of five hundred exemplary parolees can do to arouse favor for the institution of parole. This condition has resulted in building up two schools of public thought—one which feels that probation and parole has been so abused that it should not be granted under any circumstances; the other represented by many other prominent men and women, as well as public officials, throughout the country who believe in the theory or principle that the object of punishment is not only to suppress crime by incarceration behind prison walls, but to reform the offender as well, and if possible to suppress crime by making an investment in humanity.

We have inaugurated and set up in Texas, on my recommendation, a system of Volunteer County Parole Boards, of which I am very proud. The system has, in my judgment, rendered untold good to the state. The members of these boards, varying in number from three to ten, were selected by the various civic and service clubs of each county, and their names submitted to me. As governor, I appoint these nominees, and politics is taboo. In fact, I have in many instances appointed outright opponents to serve on these boards. These persons have been appointed as agents for paroled convicts. It is not their function to recommend or advocate clemency, but simply to advise, counsel with, and assist those men recommended for parole by the State Board of Pardons and Paroles. These Volunteer County Parole Boards act as supervising agents and make reports monthly, or more often if necessary, on each individual under their supervision.

We have these boards in most of the counties in Texas. They are comprised of persons of the highest honor and integrity. Their method of selection assures the best type of citizenship in this state. For the most part they are business and professional men in close touch with the affairs of their communities and for that reason are in a splendid position to help parolees secure employment.

It has been my experience that about ninety per cent. of an ex-convict's troubles are over when he finds gainful employment. I believe that no less than eighty per cent. of the parolees under the supervision of these county parole boards have been able to find employment.

The plan has not been perfect. Certainly it can and doubtless will be improved. It has no legal sanction, but the results have been most gratifying. Since it became operative, nor a single parolee or other person enjoying freedom by virtue of clemency has been returned to the penitentiary for the commission of a serious crime. I knock on wood as I say this, but I believe that a fine record has been established when it is remembered that at this time about 2,000 men are under the supervision of these boards.

There is no estimating in terms of money the worth of these boards.

I want you to note that not a single man to whom a parole has been granted in my state has committed a murder in the three years it has been in operation. I want to recommend to some of you that you consider that method in dealing with the problem in your own state.

No higher type of worthwhile social service can be found anywhere in the United States, in my opinion, than the work done by these voluntary boards, and it has been done at their own expense. The state has not spent a thin dime in this cause. We are attempting to perpetuate the system which has brought such persons into public service, to the end that their contribution to the welfare of the state may continue.

Now, you would be surprised at how many worthwhile people there are in any community who are anxious to do something to help somebody. Our civic clubs, our chambers of commerce, illustrate that. Young fellows, men and women who have time and energy and want to get something off their chest, if you just use them, they are more than willing when the governor of their state calls on them to perform a service of that kind.

Believe it or not, I have had a convention in Austin which was attended by these people at their own ex-

pense. And more than 200 of these volunteer parole board members came to Austin at their own expense just to sit down and talk over their problems and to find out a little more about their duties.

You can establish this in your state and it will solve your problem of parole agencies. There is too much mechanism in paid agencies. You have to have them. We have to have them in our larger cities to supervise the work.

But these men who are in constant contact with industry can help to get these fellows jobs if you get them interested.

Right here I want to pay tribute to what I think was not only one of the finest organizations during the World War, but doing one of the greatest types of religious work on the face of this earth, and that is the Salvation Army. (Applause.)

It occurs to me that the time has come when we should come together for the express purpose of recognizing, defining, and solving our mutual crime problems. Too long, I think, we have ignored this problem of parole and its companion, probation. We have been too prone to believe that the question of law enforcement was at an end when he who had been suspected of crime was arrested and convicted and confined in the penitentiary. We now recognize, of course, that the problem has by no means ended in the court house when the trial is over. We know that ninety per cent. or more of those convicted of crime will ultimately be returned to their own or another community, because the average sentence is less than ten years.

Whether we like it or not, we are confronted with the serious decision of how best to release men from the penitentiary. Shall we let them serve every day of their term or let the prison doors swing wide open? In either case, who is there to interest himself in the welfare of this man who has paid the debt society has said was his? What will be his attitude when he is released? Will he not feel that there is no obligation upon his part, now that the debt has been paid and paid in full?

Is it not the practical experience that the discharged ex-convict will probably fall a victim of the first police dragnet thrown out? Will not the evil glance of suspicion fall upon him who is known to have a criminal record? My experience as a district attorney has convinced me that this is all too true.

I have been a prosecutor, but done very little defense work. A fellow comes out with a little check in his pocket, the best resolutions on earth, and wherever he goes it is a practical experience he is picked up in about the first police dragnet that is thrown out and the evil glance of suspicion falls upon him because he is known to have a criminal record. My experience as district attorney and governor shows that the state has neglected, in my judgment, the most important aspect of dealing with the man who is in the penitentiary, not only in trying to do something while he is there, but trying to do something when he comes out. I find if we find a job for that fellow, in ninety-nine out of one hundred cases, or even a greater percentage than that, we are not going to have any trouble with him and society will have made a wonderful investment, government will have made an investment that will pay us back in dollars and cents if we interest ourselves in getting him a job and helping him instead of letting him go out and try to make his own way, where he inevitably falls back into crime.

I am now, and always have been, an advocate of the principle of states' rights. I believe it to be inherent in our democratic system that so far as possible the federal government should operate in those fields essential to national existence and welfare; and that in all other fields the rights of the state can best be preserved when the states prove that they can take care of their own problems—the states acting individually or in concert with one another, depending upon the nature of the problems.

We found that interstate cooperation, as effectuated by an interstate compact, was the method of preventing federal intervention in the control of our oil production. There is no reason why this principle should not be ex-

tended to other fields involving problems regional or national in character. The compact idea, it seems to me, can well be adapted to the field of law enforcement.

In the very nature of things it becomes necessary for the states to have some form of mutual understanding in the matter of probation and parole. Oftentimes a man in the Texas Penitentiary intends to return to his home in Louisiana, Arkansas, Oklahoma, or New Mexico. He has friends and neighbors there, some perhaps who will give him employment. It is certainly unfair to deny that person the privilege of parole if he is entitled to it, simply because he does not intend to remain in Texas. It is well that Texas prepare itself to supervise parolees of other states as is being done in many of the other states for us.

We do not intend to dump into the laps of our neighbors the undesirables within our own borders. We have found through experience that it is much better to cooperate with our neighbors than to adopt a haughty and self-centered attitude. Often it is to the best interest of the paroled convict to have a change of environment. By going elsewhere he may have a better chance to rehabilitate himself. In many instances men come into a state and then commit a crime. If clemency is extended, they express a desire to return home; often positions await them in other states. It would seem to be to the best interest of society, as well as of the parolee, that he be sent or permitted to go to another state, under proper supervision of that state.

In conclusion I wish to pledge my cooperation and that of the people of Texas in attaining the fine objectives of this conference. I wish also to extend my congratulations to those who have made possible the splendid results that have been obtained by the Interstate Commission on Crime.

The outstanding example, in my judgment, of the relationship which should prevail between the states and federal government is in the field of law enforcement. The secret of the success of this government, Mr. Chairman, in my opinion, is based upon the happy compro-

mise that was effected back yonder when they met one hundred and fifty years ago to frame the groundwork and set up the machinery of this government. All experience before that time had demonstrated that the nations had either on one hand too strong a central government and a consequent loss of liberties of the people, or on the other hand too great an individual liberty which amounted to anarchy or chaos. For the first time in the history of the world that ceased upon this compromise that was effected when the Constitution and Bill of Rights was written whereby it was written and ordained that the national government should operate in those fields essential to national welfare and prosperity and well-being and the happiness of the people, and that in all other matters the rights of the states to deal with those problems were especially reserved to the states.

It is but natural in the field of crime that the federal government should deal with crimes against the federal government and with crimes of the general character which cross state lines, as they have been dealing during the past few years. This is natural because the states are powerless and it is essential to the well-being and prosperity of the people of the nation as a whole. But in all other matters the theory is well carried out in this field of law enforcement.

A number of you have cited certain compacts that you have entered into. We have found interstate cooperation is assisted by interstate compacts. There is no reason why this principle cannot be extended into other fields involving problems regional or national in character. The compact idea, it seems to me, can well be adapted to the field of law enforcement. (Applause.)

GOVERNOR GRAVES: Governor Allred, I know that I express the composite thought of your fellow members in thanking you for that very interesting and most instructive, and in my judgment, most important matter that has come before this conference. I know that every member here is the better, and his faith is the better for having heard that very able paper.

Gentlemen, it is open for round-table discussion. Would any member of the conference like to be recognized? I have just one thing to say: brevity is the essence of the situation.

GOVERNOR HARDEE: Mr. Chairman, Judge Hartshorne of Newark, New Jersey, President of the Interstate Commission on Crime, is here, and I took the liberty, knowing the character of the discussion this afternoon to ask him if he would not come up here and speak for just a few moments on this subject that the governor discussed.

GOVERNOR GRAVES: Judge, I know the conference will be delighted to have you come before us. An introduction is unnecessary.

Judge Hartshorne

Remarks on Subject Of Crime Control

JUDGE RICHARD HARTSHORNE: Gentlemen of the conference, I deem it a particular privilege to be able to follow Governor Allred in his discussion of this very important topic. I deemed it very unfortunate last August at the conclusion of the sessions of the commission at Boston not to be able to accept his very kind invitation to attend his Southwestern States Parole Conference. I had to do my best by mail because of the fact that as a poor judge and the chairman of a commission that is even more limited in its finances, we could not get to Texas. But, at least, we were with you in spirit, Governor. And your words today, I think, have set many minds to thinking along the right lines.

This commission of which Governor Allred spoke a moment ago, the Interstate Commission on Crime, is an integral part of the Council of State Governments with which your Governors' Conference is affiliated, and therefore I may be pardoned for saying just a word, though I am very far from being a governor.

The important point I think for us to bear in mind as we sit here together is that, we are really not each in his own bailiwick paying no attention to the other men and the other cities. We are friends cooperating together in a joint enterprise: The safety and happiness of our citizens.

And if we pursue that thought I do not believe we are going to have any where near the troubles over extradition and removal of witnesses and sundown paroles, and so on, which have caused trouble in the past.

May I be personal as to that matter of extradition to which Governor Allred alluded? Last winter a writ of habeas corpus was granted by me for a hearing as to the release of a man who was wanted on extradition from Pennsylvania. And the statement was made by his counsel that Pennsylvania had done not one single solitary thing to prove its prima facie case against that man for months. And the record so showed. On the face of things he was entitled to be released because there was no proof, though ample opportunity was given, of the right to hold him. But it so happened that in the course of our work on the Interstate Commission on Crime and in the course of my work on the New Jersey Commission on Interstate Cooperation, which commission is extremely important, enabling one state to work with another in all fields: Crime, taxation and everything else, I had become acquainted with Attorney General Margiotti of Pennsylvania, and as it was his extradition request it struck me as common sense to find out from headquarters what it was all about. So I picked up the phone, and the Attorney General said, "What? The man says that Pennsylvania has done nothing for months to extradite him? Why, that is true, because we have his letter saying that he is going to waive extradition. That is why we have done nothing to force him to come." That is all there was to it.

In other words, my friends, we know each other here. And if we governors—I beg your pardon—(laughter) if you governors perchance would go to headquarters as your friend when a difficult question faces you as to the propriety of extradition or whatnot, I am sure that your friend on the other end of the wire, interested as he is in the protection of the citizens of this country, will give you a clear steer, and you will find no difficulty conjured up out of the imagination of a defense lawyer that will not in ninety-nine cases out of a hundred vanish with the wind.

As to the suggestion of the county parole boards, I think essentially that has very definite advantages, because not until we get the citizens as a whole interested in straightening out those who have gone astray, will we,

a mere handful of officials, be other than out on a limb. We must interest our public.

Now, if I may turn for but a brief moment to this aspect of interstate cooperation in the field of crime control. Not so long ago right here on one of the main New Jersey highways, which those of you who drove here doubtless used, a New Jersey state trooper found a gun stuck in his back. He was kidnapped, taken to Pennsylvania and released in Pennsylvania. Naturally, the search started. From the description and from the later capture behind a steel protected door in a New York City apartment house after a tear gas and gun fight, it was found that those bandits were escapees from an Ohio penitentiary. And the trooper said when he was kidnapped the car bore a Michigan license. It was also found that they were the ones who had held up a Philadelphia jewelry store just two or three days before.

Well, there you have a situation where the State of Pennsylvania wanted those men for the hold-up, the State of New Jersey for the kidnapping, the State of Ohio for the escape from the penitentiary, the State of New York for the pistol battle in its streets, and the federal government because of the interstate character of the kidnapping. Your Dillinger and Baby Face Nelson cases are just the same story. So many of our jurisdictions are interested in getting the same man. Hence, the need for cooperation in getting the man.

Now, that primarily is why the Interstate Commission on Crime exists, to get that cooperation between the states. We need it in many lines. For instance, those Ohio bandits, escapees, had escaped across the line into Maryland with the Pennsylvania police in pursuit. The minute they hit the Maryland line, as Governor Nice will tell you, their authority as state police ceased. Their arrest under the ordinary aspect of the law would then be as a mere private citizen. Now, that is ridiculous; there is no reason for any such silly thing as that. Laws are made for the protection of mankind, not for the escape of bandits. The answer is, to change the law, and that is exactly what the Interstate Commission on

Crime has attempted to do. It drafted the law permitting the fresh pursuit by organized police across state lines. And while if that had occurred six months ago the Pennsylvania police would have been stultified, if that occurs today, those Pennsylvania police will have exactly the same right to arrest those men in Maryland that they have in Pennsylvania, because both Maryland and Pennsylvania have become good cooperators with their sister states by enacting this law permitting the fresh pursuit and arrest of escaping criminals across state lines.

But suppose you have them arrested. They are not yet where they belong. They must be extradited. Now, for the sake of argument, let us suppose that the man who got these fellows out of the Ohio penitentiary, who gave them the money, who gave them the guns when they got out was, we will say from Governor Stark's state of Missouri. Now, the man who got them out got them out to have them do this Philadelphia job, and he therefore is the brains behind the gang and should get his punishment even more than should the gunmen. But as the law exists at present, not only in the State of Missouri but in every other state in the Union, practically, up until the last six months that brains of the gang could go scot free. He could not be brought to trial in Pennsylvania because he committed no crime in Pennsylvania, he had not been physically present there, I will say. He has committed a crime through his agents but he has not been physically present there, and under the United States Constitution he cannot be brought by extradition unless he was physically present where the crime was committed. Nor can he be convicted of a crime in Missouri because no crime has been committed in Missouri. Well, what is the answer?

Change the law and we won't go into our constitutional proposition, but I can say there is very definite authority that that is perfectly valid. If the states themselves agree that they will turn over the brains of a gang, the one to the other, and if instead of coming to Missouri that man had come from New York, North

Carolina, Ohio, Oregon, Utah and a host of other states that I could name, if that had occurred in those states in the last six months, the brains of that gang would have been brought back to face his well-deserved trial.

But now he comes back to face his well-deserved trial. How are you going to prove him guilty? What he has done he has done in Missouri. He has done it in Pennsylvania or New Jersey. The witnesses are in Missouri, and if the trial is in Pennsylvania, again there is a loophole in the law as it previously existed, and those witnesses cannot be forced to leave Missouri, and come to Pennsylvania, and neither can their depositions be taken in Missouri in the absence of the defendants in jail in Pennsylvania. So again, having gotten him across into Pennsylvania he goes scot free because of that loophole in the law.

Answer: Change the law.

That is exactly what the Witnesses' Act does. The Witnesses' Act provides that by the cooperative orders of the courts of Missouri and Pennsylvania, that those witnesses may be removed to Pennsylvania if without undue hardship to them. So that even they are properly protected by application to the courts of their own states.

And finally, let us assume that this man has been brought across, been tried, been found guilty, been sent to jail, has served a long bit and finally come out on parole. Now, as Governor Allred has already indicated, in certain jurisdictions it has been the happy custom to place a man on parole provided he would leave the state before sundown. Now, that simply means that state wishes that man unsupervised on the other states, and, of course, the other states, if they do the same thing, will wish other men back on the state that took the first step. Nothing more harmful to the people of this country can well be imagined than letting these men loose unsupervised without notice to the authorities or the citizens of the sister states. And that condition cried out for a solution.

And the fourth act proposed by the Interstate Commission on Crime, the Compact Act, and I think you have

all received a copy of that compact, gives that solution. Because that compact provides, as Governor Aiken knows, that if the man is to be returned at all, he shall be returned only on notice and substantially by consent of the receiving state, so that the receiving state has every opportunity in the world of seeing that that man is supervised, he is given a job, or, indeed, if he cannot be given a job, the statute specifically says he should not go.

Now, those are four statutes which I want very respectfully to call to the favorable attention of the many of you governors sitting here. Within the past few months many, many legislatures, many, many governors, over half the states of the Union, in the quickest time there is on record for the adoption of any public policy, have gone on record in favor of these acts. These acts have been adopted no less than eighty-odd different times by more than half the states of the Union. But I unfortunately see sitting here before me a number of governors in states where their legislatures have not appreciated the wisdom of that kind of cooperation. And in your hands, gentlemen, in the hands of a number of governors here, alone lies the responsibility of making effective the parole compact to prevent these sundown loosening of our parolees and to see that these parolees are properly supervised if they deserve to come back to your state.

So that I ask you to sit down with your pen and paper and put the approval of your gubernatorial office on these compacts before next Friday, the 24th of September, and then send them to Kansas City, because there is a group of governors who will be there. I hope that all of you who possibly can will attend and accept the hospitality of Governor Stark and Governor Huxman. I hope you will come, and if you cannot come, sign your compact and send it along just as your state legislature has authorized you to do in the course of the past few months.

Thank you very much, Governor, and Governor Hardee, for this great privilege of addressing these gov-

ernors on this matter which is so close to the heart of the Interstate Commission on Crime and the Council of State Governments. (Applause.)

GOVERNOR GRAVES: Judge Hartshorne, we appreciate your contribution.

We will get into the round-table discussion. Whoever wishes to be heard, let us have your views.

GOVERNOR COCHRAN: I make the suggestion on the suggestion of Governor Allred, that we go into executive session for this discussion.

GOVERNOR GRAVES: I do not know myself whether there is any law on it, there has never been a contest. I have probably been coming longer than any of you, I began ten years ago on these things, and I think it is the custom to ask those—

GOVERNOR COCHRAN: It is on the program, Mr. Chairman.

GOVERNOR GRAVES: Isn't it the custom to ask those not members to retire?

It is a privilege to call one another their real names, but they have never exercised it that I know of in ten years, but it is the privilege in this executive session, and if there is no objection I will ask that non-members—

GOVERNOR PEERY: Mr. Chairman, the point of it was, I understand there is to be an informal discussion or round-table discussion upon these subjects upon which addresses have been delivered.

GOVERNOR GRAVES: I have called for anyone who wished to be heard and nobody answered, and he made that motion. I will withdraw it, but I was going according to the program. I called for a round-table discussion and no one stood up.

(At this time the conference went into executive session.)

Governor Peery
Presiding

Executive Session

GOVERNOR GRAVES: Governor Peery, I take it it is proper that you should now take the chair in executive session, unless it is the wish that I speed them up.

GOVERNOR PEERY: I waive my right. You did real well.

GOVERNOR GRAVES: If they want to speed it I will speed it.

GOVERNOR PEERY: Gentlemen, I suppose the first thing in order is to hear reports of the committees that were appointed in the early part of the conference. Governor Hardee suggests you had in mind a round-table discussion of the subjects that have been considered here, a round-table discussion in executive session. If so, we will hear from you.

GOVERNOR ALLRED: No, sir. My only thought was that the chairman at that time, Governor Graves, had called for a round-table discussion and no one responded, and I thought it was getting close to five o'clock so we had better get in executive session. Governor Cochran got up—I had just leaned over and suggested that he make the motion to go into executive session.

GOVERNOR PEERY: Then we will proceed to hear the report of the committees appointed near the beginning of the session. We first had the committee on audit. Is the report of that committee ready, Governor Cone?

GOVERNOR CONE: We have the report of the committee on accounting. We have checked up the treasurer's and secretary's account and we find it all in order, and we ask that the report be filed.

GOVERNOR McMULLEN: I second the motion.

GOVERNOR CONE: The secretary might read it, if he desires to.

GOVERNOR GRAVES: Approved and filed.

GOVERNOR CONE: Yes, sir, approved and filed.

GOVERNOR ALLRED: Mr. Chairman, that thing has been gone over by the committee. I make a motion we waive reading the committee's recommendation and that it be accepted and filed.

GOVERNOR HARDEE: Let me say this, I think we have got a little time. We are just a little in advance, and I think the governors ought to have a little information as to the financial aspects of the conference.

GOVERNOR ALLRED: I withdraw my motion.

GOVERNOR HARDEE: It takes about \$3500 to maintain the conference. The Executive Committee sets the salary of the secretary at \$1500 a year, plus \$50 a month for stenographic help. That is the largest item of expense in the maintenance of the conference. Following that is the publication of the minutes in book form. That requires several hundred dollars to do that. Anyhow, it takes from \$3500 to \$3600 to maintain the conference on that rather modest basis.

I see the treasurer reports this year only twenty-nine. However, I was a little late getting out the notices to the governors and there are governors here today who have sent me checks that reached me too late to get them into this report. So we will have this year around \$4,000, or about forty of the states that are actually members of the conference. I have some seven or eight back in the office that I have not turned in to the treasurer because they reached me too late for the report. The balance on hand today is \$4,784.56. So we are rather a solvent institution. \$4,784.56.

The conference as such has made no contribution to anything of any character save last year some of you governors who were in office at that time remember that

a good many publications were gotten out by the Council of State Governments and the Executive Committee approved my suggestion that we ought to pay something towards the support of that organization, and they paid \$1,000. That was in last year's report, though. I am just mentioning that for information. I believe that is the only thing, unless there is some question.

GOVERNOR CONE: What is that donation for?

GOVERNOR HARDEE: That was for last year.

GOVERNOR CONE: A thousand dollars for what?

GOVERNOR HARDEE: To the Council of State Governments for the work that they performed before you went into office.

GOVERNOR CONE: Oh, I see.

GOVERNOR HARDEE: That is not in this report because nothing had been paid this year. But I mention that just as a matter of information, because I think that the governors should have this information because the money comes from their states, and in all matters of finance where people have an interest in it and I have anything to do with it, I want to keep them advised, although in this particular instance I had nothing to do with this money. That is the purpose of my talk.

GOVERNOR BARROWS: May I ask, will there be a corrected report in your printed report of the conference showing the states that have contributed since the compilation of this report?

GOVERNOR HARDEE: I think I will have all of them in, Governor, before this is actually published. I thought of adding to the report those that are now in but were received too late. I think that would be the only fair thing to do. I shall do that.

GOVERNOR PEERY: The motion is that the report be received and filed.

GOVERNOR MILLER: I do not think the secretary quite answered the question of the governor of Maine.

He was asking if there are any states of the Union which do not support—

GOVERNOR BARROWS: No, that was not my question. My inquiry was directed to Governor Hardee's statement that there were several states that sent in their contribution or dues and that do not appear in his report because they came in after he left Washington. My inquiry was whether the report in the printed record would be brought up to date, because I think Maine may have been one of them.

GOVERNOR HARDEE: One reason why there are several not reported in this report is because I have received the vouchers from the governors, executed the vouchers and sent them back to their states, and these vouchers form the basis for the checks. That is the way your state handles it, governor. A great many of the states do not send out a check until we execute a voucher, and there are several checks back in my office.

Now, I am glad you suggested that. That gives me an opportunity to say this about supporting the conference: You might say there isn't a state in the Union that does not support the conference. However, some of them will support it this year and maybe not next year. So on the whole, we have from thirty-eight to forty that we can count on each year as contributing to the support of the conference. Many times a governor, strange to say, imagines if he does not attend the conference he is privileged not to send in his hundred dollars. But ordinarily we can count on thirty-eight to forty.

GOVERNOR PEERY: Your report will show the ones who have contributed?

GOVERNOR HARDEE: Yes, it will.

GOVERNOR PEERY: Are you ready for the motion? Those in favor of the motion will signify by saying aye.

(There was a chorus of "Ayes.")

GOVERNOR PEERY: Opposed, "no."

(No answer.)

GOVERNOR PEERY: The motion is carried and so ordered.

I will have the report of the Committee on Resolutions.

GOVERNOR ALLRED: Mr. Chairman, the Committee on Resolutions is glad to make the following report and recommendation:

"In the matter of a general conference on conflicting taxation the Resolutions Committee unanimously reports as follows:

"It is the sense of this conference that a general conference on conflicting taxation and kindred subjects be called during the coming year as early as possible, and the Executive Council of the Governors' Conference is requested to call such conference and arrange details thereof."

I move its adoption.

GOVERNOR COCHRAN: I second the motion.

GOVERNOR PEERY: You have heard the motion, gentlemen. Those favoring the adoption will say "aye."

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed, "no."

(No answer.)

GOVERNOR PEERY: The motion is carried. So ordered.

GOVERNOR ALLRED: Mr. Chairman, I desire further to report and to present:

"The Resolutions Committee unanimously wishes to present for adoption the following resolution:

"WHEREAS, this Twenty-Ninth Annual Governors' Conference has met in convention in the State of New Jersey at the invitation of His Excellency Harold G. Hoffman, Governor of the State of New Jersey, acting on behalf of the Government and people of New Jersey, and

"WHEREAS, the spirit of hospitality characteristic of the people of New Jersey has been most generously shown in the entertainment of the visiting Governors, their staffs, and their families, not only by the state, but also by the City of Atlantic City, New Jersey, and

"WHEREAS, the visiting Governors have profited by the facilities offered them by this conference and enjoyed exceedingly the manifold entertainment provided for them and will carry back with them lasting and pleasant memories.

"NOW THEREFORE BE IT RESOLVED that the Governors in attendance at this their Convention of the Twenty-Ninth Annual Conference do hereby tender their deep appreciation of and heartfelt thanks for the many courtesies shown them and for the boundless entertainment and generous hospitality they have enjoyed.

"We would especially thank His Excellency Governor Harold G. Hoffman of the State of New Jersey and his estimable wife, Mrs. Hoffman, and likewise the officials of the City of Atlantic City and the State of New Jersey for their uniform courtesy and kindness shown us.

"Likewise, we would express our sincere appreciation to Mr. Bennett Tousley, the manager of the Traymore Hotel, his aides and employees for the many acts of kindness and consideration shown us during our visit.

"We think we have never met under more delightful auspices or at a more attractive hotel than the one whose facilities we have so thoroughly enjoyed."

I move the adoption of this resolution, Mr. Chairman.

GOVERNOR PEERY: Is there a second to the motion?

GOVERNOR BLOOD: I second the motion.

GOVERNOR PEERY: Gentlemen, you have heard the motion. Those favoring the motion will signify by saying aye.

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed "no."

(No answer.)

GOVERNOR PEERY: The motion is unanimously carried.

GOVERNOR COCHRAN: Mr. Chairman, the chairman of the Resolutions Committee has advised me that no resolution has been provided by the committee on a matter that I think should come before the conference. I propose a resolution extending the gratitude of the Governors' Conference for the fine services rendered by the chairman, Governor Peery, during the past year and during this conference.

GOVERNOR STARK: I second the motion.

GOVERNOR COCHRAN: You have heard the motion. All in favor will signify by saying "aye."

(There was a chorus of "ayes.")

GOVERNOR COCHRAN: Contrary, "no."

(No answer.)

GOVERNOR COCHRAN: Carried.

GOVERNOR PEERY: Gentlemen, I thank you very much. And with the close of this session of the conference I must sing my swan song as a member of the Executive Committee.

The next order of business is the election of an Executive Committee, and I believe I am the only governor whose term expires this coming January, 1938. So there will be one vacancy on that Executive Committee.

GOVERNOR COCHRAN: Mr. Chairman, I wish to place in nomination the name of Governor Graves of Alabama.

GOVERNOR JOHNSTON: I will second the motion.

GOVERNOR PEERY: Gentlemen, are there any further nominations?

The secretary of the conference, Governor Hardee, advises me that the other members of the Executive

Committee do not necessarily hold over. In other words, it is necessary that all of the members of the Executive Committee be elected or re-elected. I bring that to your attention so that the conference may handle the entire situation.

GOVERNOR BLOOD: Mr. Chairman, I move that the members of the Executive Committee as now constituted be re-elected, with the addition of Governor Graves to fill the vacancy.

GOVERNOR STARK: I second the motion.

GOVERNOR PEERY: Are there any further nominations?

If not, we will have the motion. Gentlemen, those favoring the re-election of all of the members of the Executive Committee with the exception of myself, and the election of Governor Bibb Graves of Alabama in my place, will signify by saying "aye."

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed, "no."

(No answer.)

GOVERNOR PEERY: The motion is unanimously carried.

The next business is the election of a secretary and treasurer of the conference. I will hear nominations for secretary first.

GOVERNOR GRAVES: A point of inquiry. I gathered from the remarks of Governor Hardee that the secretary was elected by the Executive Committee. Did you say that or that his salary was fixed by the committee? What was the statement?

GOVERNOR HARDEE: Governor, there is a confusion on that particular point. According to the by-laws as published here, the convention itself elects a secretary and a treasurer. However, I remember a year it was not carried forward in the by-laws. I remember back the last year of my administration when the con-

ference changed that and gave the committee the duty and privilege of electing the secretary and treasurer. But since that time I think it has been rather disregarded. Last year the conference elected, the year before that the Executive Committee elected. Now, we are going to have to clarify that situation. According to the by-laws as published, as I found them, it is for the convention, not for the Executive Committee.

GOVERNOR PEERY: What is the pleasure of the convention?

GOVERNOR GRAVES: To solve the matter, let me suggest or nominate Governor Hardee for secretary. I nominate him and move that he be re-elected.

GOVERNOR AIKEN: I second the motion.

GOVERNOR PEERY: Are there any other nominations?

If not, a motion is in order to close nominations and re-elect Governor Hardee.

GOVERNOR MILLER: I so move you.

GOVERNOR CONE: I second the motion.

GOVERNOR PEERY: Those favoring the motion will signify by saying "aye."

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed, "no."

(No answer.)

GOVERNOR PEERY: Governor Hardee is now unanimously re-elected.

GOVERNOR HARDEE: Thank you.

GOVERNOR AIKEN: If I may, I will present the name of Governor Wilson, who has been treasurer for a good many years. I don't know, but I think he started with Governor Hardee. Governor Wilson is from my state. He had to leave a few minutes ago.

GOVERNOR STARK: I second that nomination.

GOVERNOR PEERY: Are there any further nominations?

If there are no further nominations, a motion is in order to close nominations and elect ex-Governor Wilson of Vermont.

GOVERNOR MILLER: I so move you.

GOVERNOR COCHRAN: I second the motion.

GOVERNOR PEERY: All favoring the motion will signify by saying "aye."

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed, "no."

(No answer.)

GOVERNOR PEERY: Governor Wilson is unanimously re-elected.

Is there any other business to be brought before the conference by any member?

GOVERNOR GRAVES: There was some engagement for us to be on the boardwalk.

GOVERNOR HARDEE: That is five o'clock.

GOVERNOR JOHNSTON: I do not want to take up your time here, but I want your time next year. I realize your Executive Committee passes upon the matter I am going to present here just at this time. I want the governors down in South Carolina next year for your conference, and I say that from the depths of my heart. I realize right now that we are going to have a time giving you the same entertainment that you had this year, but we will do the very best we can. And being one of the original thirteen states and it being our 150th Anniversary of the signing of the Constitution, I think it would be nice to have you down with us. So I invite you to come and to be our guests in South Carolina, at Charleston, South Carolina. So get in touch with your Executive Committee and tell them you want to come there next year.

GOVERNOR PEERY: Governor Johnston, I think in that connection I had a very courteous letter from the mayor of Charleston suggesting that this invitation would be extended officially on behalf of Charleston. I will be glad if you will tell him I brought it to the attention of the conference and to say it was a matter that will be handled by the Executive Committee. We appreciate the invitation.

Is there any further business?

GOVERNOR MILLER: Mr. Secretary, before we leave: Is there any further information with respect to this train to Washington tomorrow?

GOVERNOR HARDEE: That train will leave here, as I understand it, at nine o'clock.

GOVERNOR PEERY: 9:20, isn't it?

GOVERNOR HARDEE: Maybe it is 9:20. I expect to get that information from Governor Hoffman.

GOVERNOR MILLER: Standard Time?

GOVERNOR HARDEE: Daylight Saving Time. Anyhow, we are to leave in time to get to Washington at twelve o'clock, and the luncheon is at one. That gives us an hour to go to the hotel and get over to the White House.

GOVERNOR GRAVES: Might I ask, will it be necessary for us to secure our Pullman reservations and things of that kind?

GOVERNOR HARDEE: I understand it is a special train for us and it will not be necessary to get seats or anything. The invitation is extended not only to the governors, but to all members of their parties.

GOVERNOR PEERY: Colonel Foran, the aide of Governor Hoffman, the one who had a little bit of repartee with Governor Nice yesterday, is looking after that.

Is there any further business?

(The Honorable Al Nichols, President pro tem of the Oklahoma State Senate, appearing before the conference as the personal representative of the Governor of Oklahoma invited the Governors' Conference to have its next convention in the State of Oklahoma.)

GOVERNOR PEERY: I know that the Executive Committee, in the selection of a place for our next meeting, will have very attractive invitations from more than one place. I know they will be given very careful consideration by the committee.

Is there any further business before the conference?

(Speaker Harris of the Georgia House of Assembly, representing the Governor of Georgia, presented the Governor of Georgia's regrets at not being able to be present.)

GOVERNOR PEERY: Is there any further business before the conference?

Before closing the conference I should like to express my sincere appreciation of the unfailing courtesy and consideration shown by each and every member of the conference to the chairman of the Executive Committee.

I will now hear a motion—

GOVERNOR McMULLEN: I would like to have that resolution read again if Governor Allred does not object, the second resolution.

GOVERNOR PEERY: I am sure that will have the unanimous consent of all of the members of the conference present.

GOVERNOR ALLRED:

"WHEREAS, this Twenty-Ninth Annual Governors' Conference has met in convention in the State of New Jersey at the invitation of His Excellency Harold G. Hoffman, Governor of the State of New Jersey, acting on behalf of the Government and people of New Jersey, and

"WHEREAS, the spirit of hospitality characteristic of the people of New Jersey has been most generously shown in the entertainment of the visiting governors,

their staffs, and their families, not only by the state, but also by the City of Atlantic City, New Jersey, and

"WHEREAS, the visiting Governors have profited by the facilities offered them by this conference and enjoyed exceedingly the manifold entertainment provided for them and will carry back with them lasting and pleasant memories.

"NOW THEREFORE BE IT RESOLVED that the governors in attendance at this convention of the Twenty-Ninth Annual Conference do hereby tender their deep appreciation of and heartfelt thanks for the many courtesies shown them and for the boundless entertainment and generous hospitality they have enjoyed.

"We would especially thank His Excellency Governor Harold G. Hoffman, of the State of New Jersey and his estimable wife, Mrs. Hoffman, and likewise the officials of the City of Atlantic City and the State of New Jersey for their uniform courtesy and kindness shown us.

"Likewise, we would express our sincere appreciation to Mr. Bennett Tousley, the manager of the Traymore Hotel, his aides and employees for the many acts of kindness and consideration shown us during our visit.

"We think we have never met under more delightful auspices or at a more attractive hotel than the one whose facilities we have so thoroughly enjoyed."

I move the unanimous adoption of this resolution by a rising vote.

GOVERNOR McMULLEN: I second the motion.

GOVERNOR PEERY: We will have a rising vote on that.

(All present rose to their feet.)

GOVERNOR PEERY: That motion is again unanimously adopted.

GOVERNOR HOFFMAN: Thank you very much, Governor Peery and gentlemen.

I think you know by now that we are delighted to have you here. I hope when I am elected governor again in 1960 that you will all be back here. I know Mrs. Hoffman too has enjoyed meeting you and your fine wives and other members of your parties, and we do hope that you felt the warmth of our welcome. Thank you. (Applause.)

Report, National Committee On Prisons and Prison Labor

(Governor Hoffman requested that the following report be printed in the minutes, and it was so ordered:

"A report to the Conference of Governors from National Committee on Prisons and Prison Labor, Atlantic City, New Jersey, September, 1937; filed at request of Governor Hoffman.

"According to the precedent established through a series of years, we beg leave to present the following report:

"On January 4, 1937, the Supreme Court of the United States, by unanimous decision, declared constitutional the Ashurst-Sumners Law, thus supplementing and completing its former decision on March 2nd, 1936, declaring the Hawes-Cooper Prison Labor Law constitutional. This was the first of the actions presented by the New Deal this year which was declared constitutional by the Supreme Court. In so deciding the court established a precedent for the constitutionality of federal-state cooperation by statute and decision in the outlawing of goods manufactured under economically obnoxious conditions, when supported by sufficient evidence that the obnoxious character has been clearly defined by both the acts of state legislatures and the federal Congress.

"These decisions require the labeling of all packages containing prison-made goods manufactured by states which enter into interstate commerce, and debar their shipment into states prohibiting their sale. As such prohibition is statute law in states comprising the industrial markets of the country,

the transportation of prison goods and their free sale on the general markets have become impossible. Even the limited unrestricted territory in the non-industrial territory is rapidly being controlled by similar legislation.

"To the Governors Conference the National Committee on Prisons and Prison Labor has called attention to the need for preparing, through constructive prison administration, for the establishment of the state use prison industrial system—or the use of the products of prison labor in the institutions and departments of the states in order to use this large and adequate market which is not restricted by legislation or court decisions.

"As early as 1910 this organization memorialized the Governors Conferences urging that the states survey their industries and requirements and prepare for this development. The records of the Governors Conferences during the last twenty-seven years are replete with reports, debates and recommendations to this end.* (*See reports of Governors Conferences from 1910.)

"Among the Governors who have filed specific reports of the National Committee on Prisons and Prison Labor are Hon. Norman S. Case, Hon. Theodore Francis Green, Hon. Gifford Pinchot, Hon. E. Lee Trinkle.

"With finances supplied largely from the Laura Spelman Rockefeller Foundation, the National Committee, in order to meet this change, held zone conferences as follows:

"Intermountain Industrial Allocation Conference of Prison Industries, 1924, participated in by official representatives of the States of Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Washington, Wyoming and the United States Department of Justice.

"Eastern Prison Industrial Allocation Conference, 1924, participated in by official representatives of

the States of Pennsylvania, Maryland and New Jersey.

"Southeastern Industrial Allocation Conference, 1924, participated in by representatives of the States of Alabama, Georgia, Mississippi, North Carolina, South Carolina, and the United States Department of Justice.

"Pacific Industrial Allocation Conference, 1924, participated in by representatives of the States of Oregon and Washington and representatives from the Oregon Associated Industries and the Oregon Federation of Women's Clubs.

"South Central Industrial Allocation Conference, 1926, participated in by representatives of the States of Arkansas, North Carolina, Tennessee, Kentucky, and by visitors from Indiana.

"These conferences have brought into agreement the prison authorities, the State Federations of Labor, State Manufacturers Associations, the women's clubs and civic bodies on a constructive program.

"Franklin Delano Roosevelt, as Governor of New York State, which for years had been operating under the state use system, determined in 1931 to bring together the Associated Industries of New York, the State Federation of Labor, representatives of agriculture, the women, the public and the National Committee on Prisons and Prison Labor. Working jointly with the National Committee, a comprehensive study was made of a planned economy in which the prison production and the governmental market for the goods produced were brought into harmony—thus making the first demonstration of an economic plan in which production and consumption were balanced.

"The experience of cooperation between organized manufacturers and organized labor, working together toward the constructive end of economic balance, had in it the seed out of which Mr. Roose-

velt, when he became President, conceived the N.R.A. As President, Mr. Roosevelt appointed a special Commission headed by Judge Ulman, following the request of the National Committee on Prisons and Prison Labor and other groups to survey the prison labor difficulties which had arisen under the N.R.A. The result of the survey emphasized anew the desirability of applying universally throughout the United States, the state use system. It recommended giving federal funds to the states to assist towards this end as well as the establishment of a Prison Industries Reorganization Administration which would carry out, at the request of the several states, surveys on which these appropriations could be granted. Such an Administration has been set up and financed out of funds made available to the President by Congress. The President has also made appropriations in aid to certain of the states. To date the following surveys have been made:

Arkansas	Oklahoma
California	Oregon*
Delaware	Pennsylvania*
District of Columbia	Tennessee
Georgia*	Texas
Indiana*	Utah
Kentucky	Vermont
Maryland	West Virginia
New Mexico*	Wyoming

(*Under way but not fully completed to last report P.I.R.A.)

"These surveys in brief make the local application of the following principles, which are in accord with the recommendations made to the Governors Conference by the National Committee on Prisons and Prison Labor:

"The establishment of state-use industries requires a study of the market afforded by tax-supported institutions and agencies and of the laws regarding state purchases. If rehabilitation of the

prisoner is to be a major concern, the provision of suitable housing and of facilities for study and training of the individual prisoner must be considered. The prison population is definitely affected both quantitatively and qualitatively by the operation of probation and parole. In the more progressive states probation and parole systems are integral parts of the penological systems. The Board therefore decided that nothing less than a general examination of the penal system of each state on all these points would afford an adequate basis for recommendations to the President and the state authorities.'

"The P.I.R.A. as an agency of the federal government, can only operate in the prison field and it is not its function to interest and harmonize the local organizations within the several states, whose support is necessary to the successful carrying out of these programs.

"The National Committee on Prisons and Prison Labor is continuing its work towards this end. It stands ready to aid any Governor with the expert assistance made possible by its twenty-seven years experience.

"The National Committee on Prisons and Prison Labor also wishes to bring to the attention of the Governors the fact that the idleness prevailing in many of the prisons is unnecessary and is detrimental, not only to the prisoner, but to the finances of the state and to the public interest. It wishes also to call to the attention of the state administrations the fact that during the present federal Administration, workshops for the unemployed, free citizens, have been developed and that in the women's industries alone there are now employed 250,000 women with the investment of \$430,000,000 of federal funds. The products of these plants, designed for the relief of the unemployed, are being distributed by the state and city governments and are not being sold on the general markets. There

has developed, therefore, a state use manufacture and consumption project in the woman's field alone, many times the size of the combined prison labor problem. While the numbers so employed are being limited, it is clear that the need for distribution of the commodities will decrease much faster than the curtailment of the shops, and it is the belief of many, that the complete curtailment of the W.P.A. shops may never take place. Already the preferred market for the prison goods, on which there was reliance for the employment of the prisoners, is being curtailed by the free gift of commodities from the W.P.A. shops to the consuming institutions, and large quantities of goods are being stored which eventually will be given over to the state and city institutional plants.

"This problem is not within the scope of the Prison Industries Reorganization Administration, but the National Committee on Prisons and Prison Labor is doing its best to orientate these developments and circumvent any clash or dislocation of the proper adjustments, which are necessary for the proper employment, both of the unemployed free and the unemployed prisoner. In each of the states there is need of local groups to consider these adjustments and to follow the initiative and foresight of Franklin D. Roosevelt, as Governor of New York State, in bringing all the elements together and surveying the problem.

"The National Committee on Prisons and Prison Labor is equipped to assist with technical advice.

"Respectfully submitted,

(s) WILLIAM S. BENNET

"Chairman,

"Board of Directors

(s) E. STAGG WHITIN

"Chairman,

"Executive Council.")

GOVERNOR PEERY: As chairman, I will entertain a motion that this conference adjourn sine die.

GOVERNOR BARROWS: I move we adjourn sine die.

GOVERNOR CONE: I second the motion.

GOVERNOR PEERY: Gentlemen, you have heard the motion. All in favor will signify by saying "aye."

(There was a chorus of "ayes.")

GOVERNOR PEERY: Opposed "no."

(No answer.)

GOVERNOR PEERY: The motion is carried and I declare this conference adjourned sine die.

**At White House,
September 16, 1937**

The governors attending the Conference accepted an invitation from the President of the United States for luncheon at one o'clock. The host, Governor Hoffman of New Jersey, provided a special train from Atlantic City to Washington, where the governors were entertained at the White House by the President at luncheon.

The wives of the governors, and all members of each of the governors' parties, were entertained by Mrs. Hoffman at luncheon at the Willard Hotel, with Governor Hoffman's band furnishing the music and entertainment.

In the resolution of thanks to Governor and Mrs. Hoffman, and to the people of New Jersey, this Conference was voted as one of the best and most enjoyable in the history of the Conference.

TREASURER'S REPORT

STANLEY C. WILSON, Treasurer

In Account with Governors' Conference

1936	Dr.
Nov. 10. Amount on checking account at Hartford Savings Bank & Trust Company, White River Junction, Vt., at time Treasurer's account submitted to Governors' Conference and approved	\$4,784.56
1937	
Jan. 25. Cary A. Hardee, Secretary— Louisiana dues	100.00
May 22. Cary A. Hardee, Secretary— Pennsylvania dues	100.00
Sept. 7. Cary A. Hardee, Secretary— dues as follows:	
Delaware	\$100.00
Florida	100.00
Georgia	100.00
Louisiana	100.00
Maryland	100.00
Massachusetts	100.00
Michigan	100.00
Mississippi	100.00
Montana	100.00
Nebraska	100.00
Nevada	100.00
New Hampshire	100.00
North Carolina	100.00
South Carolina	100.00
Tennessee	100.00
Utah	100.00
Vermont	100.00
Virginia	100.00
West Virginia	100.00
Wyoming	100.00
	<hr/> 2,000.00
10. Cary A. Hardee, Secretary— dues as follows:	
Connecticut	\$100.00
Illinois	100.00
Maine	100.00
New Jersey	100.00
Oklahoma	100.00
Rhode Island	100.00
Washington	100.00
	<hr/> 700.00
TOTAL RECEIPTS	<hr/> \$7,684.56

STANLEY C. WILSON, Treasurer
In Account with Governors' Conference

1936	Cr.
Dec. 15. Stanley C. Wilson, bill allowed—expenses (V. 1)	\$ 185.58
19. Cary A. Hardee, Sec'y.— salary and expense (V. 2)	727.86
Eynon Printing Co.—programs (V. 3)	25.00
Paul R. Spicer & Associated Short- hand Reporters—transcript of record, etc. (V. 4)	197.44
Brewood—stationery (V. 5)	32.09
1937	
Mar. 24. Cary A. Hardee, Sec'y.— salary and expenses (V. 6)	569.00
Suwannee Democrat, publishing conference reports (V. 7)	607.83
June 21. Cary A. Hardee, Sec'y.— salary and expenses (V. 8)	569.20
Sept. 9. F. Ray Keyser, Ag't, Am. Surety Co.—Premium on treasurer's bond No. 586236-D (V. 9)	12.50
TOTAL EXPENDITURES	<u>\$2,926.50</u>

STANLEY C. WILSON, Treasurer
In Account with Governors' Conference

September 11, 1937.

SUMMARY

Balance on hand, November 11, 1936, as per audit	\$4,784.56
Receipts, 11-10-36 to 9-11-37	2,900.00
Total Receipts	<u>\$7,684.56</u>
Total Expenditures, 11-10-36 to 9-11-37	2,926.50
Balance on hand	\$4,758.06
Amount in Hartford Savings Bank & Trust Company checking account, White River Junction, Vt., as per attached certified statement	\$4,770.56
Less outstanding check No. 54 to F. Ray Keyser, Ag't, Am. Surety Co.	12.50
	<u>\$4,758.06</u>

I, Stanley C. Wilson, Treasurer of Governors' Conference, do hereby certify that the foregoing is a true statement of my account as Treasurer of the Governors' Conference.

STANLEY C. WILSON,
Treasurer.

HARTFORD SAVINGS BANK & TRUST COMPANY

White River Junction, Vermont

September 11, 1937

Governors' Conference

Stanley C. Wilson, Treasurer

Chelsea, Vermont

Dear Governor:

I hereby certify that this statement showing a balance of \$4,770.56 (Four thousand seven hundred seventy dollars and fifty-six cents) is the amount carried on our books to the credit of the Governors' Conference.

DOROTHY D. DUNLEY,

Asst. Treas.

We, the undersigned auditors of the Governors' Conference, have examined the foregoing account of Stanley C. Wilson, Treasurer, and find that the same is correct, with proper vouchers for all expenditures and proper credits of all receipts, and find the balance in the hands of the Treasurer as of Sept. 11, 1937, to be Four Thousand Fifty-eight and 06/100 Dollars (\$4,758.06).

H. W. NICE

HOMER A. HOEY

FRED P. CONE

Auditors.

SECRETARY'S NOTE: After the report was made by the Treasurer, and too late to be included therein, dues from the following states were received by the Secretary, for transmission to the Treasurer—which amounts should be added to the Treasurer's balance:

Alabama

Indiana

Iowa

Kansas

Missouri

New York

Texas

Porto Rico

UNIVERSAL
LIBRARY



134 824

UNIVERSAL
LIBRARY